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Newsletter #1 – February 2015 Legislative Session

Introduction: The legislative session began with more challenges than usual. The Kansas Constitution requires that the State's end of the year (June 30) revenues exceed expenditures. Because of the income tax rate reductions passed two years ago, we needed to reduce current year expenditures by approximately \$130 million. State agencies were already more than 7 months into the current fiscal year, so that was very problematic. We will need to reduce the fiscal year 2016 budget that begins July 1, 2015, by more approximately \$700 million from current spending levels, or increase revenues.

The Governor has proposed abolishing the school aid formula, providing less money through bloc grants, and challenging the Courts' authority to determine what is adequate school funding under the Kansas Constitution. He also has proposed repealing an increase in State contributions to the woefully underfunded retirement plan for teachers and state and local employees as a contribution to balancing the budget, and he has proposed transferring more money from the Department of Transportation. The only revenue enhancements that he has proposed are to increases to liquor and tobacco taxes and the suggestion that some income tax exemptions be reduced or eliminated. The above items and more will need legislative approval. We are well past the "looking under the couch cushions for change," we have sold the couch. Without real structural changes in revenues (increased taxes) or expenditures (significantly reducing aid to education, health care, and employee benefits), there is no way to stop the annual struggle to balance the budget. You may recall that 50% of the state budget is for K-12 education, 20% for Medicaid benefits, and 12% for higher education. Those are difficult areas to cut further.

Legislative Initiatives: You may have noted from media reports that the Vision 2020 Committee that I chair engaged in a multi-week set of hearings on the need to expand our **KanCare/Medicaid** program. We have heard testimony about the cost to all of us for people without insurance who use hospital emergency rooms for their care, the health impacts for people who cannot regularly see health care providers, the Kansas tax dollars that go to other states because we have not expanded coverage, and the \$2.2 billion dollars of federal aid that we are foregoing over the next five years. We introduced **HB 2270** that provides for funding the State's share of an expanded KanCare/Medicaid program to cover approximately 100,000 working poor through an assessment against health care provider organizations that will benefit from expansion. The bill does not require State General Fund (tax dollars) funding.

Based on the testimony provided, analysis of other state Medicaid expansion programs, and recognizing the political realities, the Committee introduced **HB 2270**. I continue trying to convince the Governor, legislative leaders, and a majority of legislative colleagues that this bill represents a cost- and policy-effective Kansas approach to providing health insurance coverage for 169,000 fellow citizens.

I have introduced several other bills to address immediate and long-term state needs. At the request of the Lawrence Police Department and District Attorney, **HB 2002** addresses protecting children from persons who video them in the nude (this does not include parents taking pictures of their own children on the proverbial bear skin rug) without their knowledge or consent.

HB 2014 addresses the need for additional funding to protect our drinking water supplies. While not the definitive answer, I cannot wait for the Governor to develop a comprehensive plan that the Legislature will consider in 2016 or 2017. Our need to address siltation in the lakes that contribute to the poisonous blue-green algae, that increase water treatment costs, and that reduces the water storage capacity needed to serve our needs during droughts requires us to act now. It is much less expensive to address the problems before we have a water crisis, than during that crisis. The bill was assigned to the Appropriations Committee's Agriculture & Natural Resources Budget Subcommittee where a hearing will be held this week.

With the conclusion of the Vision 2020 Committee's hearings on Medicaid/KanCare expansion, we will focus on the State Water Plan, the lack of prioritization, funding streams (no pun intended), and funding needs. The Legislature has not extensively examined these issues in many years, so with the Governor's and public's attention on the effects of the recent drought, water quality because of blue-green algae, sedimentation, and more, it is timely to focus attention on the need to prioritize our investments, expand the state-local government partnerships, and determine what funding levels from water users is appropriate. It is my expectation that after four or more weeks of hearings, the Committee will make recommendations to the Governor and other Legislators.

HB 2019 addresses a funding problem at our universities. For the past six years, Governors and Legislators have essentially reduced the amount of state support for higher education. While it is often politically attractive to cut government spending, when the universities' infrastructure and ability to upgrade facilities to meet teaching and research needs continues to decay on an annual basis, the result is a second-rate educational opportunity, lost research opportunities, and higher tuition costs to maintain the facilities. Just as those of us who own our own homes or who own rental properties must spend money to maintain the buildings, so too must KU and the other institutions make such investments in their buildings. At a time when many of my legislative colleagues want to further reduce state aid to universities (as they have repeatedly done with the Dept. of Transportation) and the Governor announced a 2 percent reduction in their current year appropriation, HB 2019 is designed to stimulate discussion about how valuable our higher education institutions' are to the economic well-being of our state and the future of our citizens. The Tax Committee heard testimony on the proposal and I hope that the Board of Regents and institutional leaders will engage committee members. While I do not like proposing an increase in property taxes, if not this option then what alternative will someone

suggest that meets the Regents' institutions' needs, is fiscally responsible, and might be politically feasible?

HB 2084 is my latest collaborative effort with local and statewide law enforcement officers to address the anonymity people who purchase pre-paid wireless devices ("burner" phones) have. This is a problem for law enforcement officers and we have developed a proposed Registry that is similar to ones used when people purchase certain pharmaceutical products or sell scrap metal. It would not affect those persons who have AT&T, Verizon, Sprint, T-Mobile or other plans with monthly billing. The bill requires a person show government issued identification when purchasing "burner" phones. There will be no cost to the retailer for providing data to this Registry and individual privacy will be protected as it will require a court order for law enforcement officers to access the data. The telephone companies are opposing the bill.

HB 2036 and HB 2037 continue my efforts to stimulate the development of renewable energy in Kansas. HB 2036 encourages the development of large-scale wind farms and HB 2037 encourages people to install renewable generation units on their own properties (e.g., roof top solar). The utility companies are opposing both, but I keep trying to make my legislative colleagues understand that public interests and economics make such opportunities reasonable and responsible.

HB 2020 would permit Kansans in the military with family members covered by the Tri-Care insurance program who will be transitioning from the military to civilian life to apply before discharge for Medicaid coverage for those dependents who qualify. The issue is important to the Dept. of Defense and military personnel because continuity of care is important and if the former military family must apply and qualify for Medicaid coverage after discharge, then the qualifying dependent will have medical care needs that either are unmet or very costly to the family.

The Department of Aging and Disability Services' Secretary met with me after the bill's introduction and reported that as a result of the Department of Defense's and my initiatives, the Department is filing for a waiver from federal Medicaid regulations to permit this procedure. Four of the necessary waivers should be granted by the end of March and the other three should be granted by mid-June. This is an example of how a legislative initiative can lead to beneficial administrative changes without passing a new law.

Other Activities: I have previously reported that many invitations come for me to speak at conferences across the country because of my work on energy, water, telecommunications, and other policy issues. I also remain a member of the Federal Communications Commission's (FCC) Intergovernmental Affairs Committee; the Department of Energy's Electricity Advisory Committee's Energy Storage Subcommittee and the GridWise Architecture Council. I recently was the only state legislator attending or speaking at the Energy Storage Association's Policy Planning Workshop. I also participated in the FCC advisory committee meeting on Internet provider customer service and met with several Federal Energy Regulatory Commission (FERC) Commissioners and key staff members about Kansas' electric transmission needs.

Two years ago, I met with the Kansas Adjutant General, head of the Army and Air Force National Guards, about energy conservation, renewable energy on-site generation, electric rates, and forging new relations with the electric utilities serving Guard facilities. That conversation stimulated the Guard to conduct energy audits of their buildings and review their energy use patterns. The result is that the Guard will be installing solar panels on some of their properties, are increasing their electric conservation efforts, are exploring energy storage options, and will have lower electric rates for many of their buildings. The savings resulting from these policies will permit the Guard to better and more cost-effectively meet their mission requirements. I also succeeded in adding a Guard representative to a Dept. of Energy Risk Assessment Working Group on which I serve.

Two articles on national energy policies that I wrote appeared this past fall in leading industry publications. Based on the comments received personally and by the publishers, both were well received within the electric industry and public policy-maker communities. My comments in the articles focused on how a policy-maker tries to balance the ability of some electric customers to generate part of their own electricity and the impact on costs to the remaining customers to support the infrastructure benefitting all and the impact on utility reserve generation needs and operations.

The Humane Society of the United States presented me their 2014 Kansas Legislator of the Year Award for my work on animal protection as a leading member of the House Agriculture and Natural Resources Committee.

Closing Comments: If you found the above information interesting and useful, please share it with your family, friends and neighbors. You are invited to spend a day with me at the Capitol and may always contact me with questions or information that will enable me to better represent our community's and state's long-term best interests. Thank you for your confidence.

*Best wishes,
Tom*