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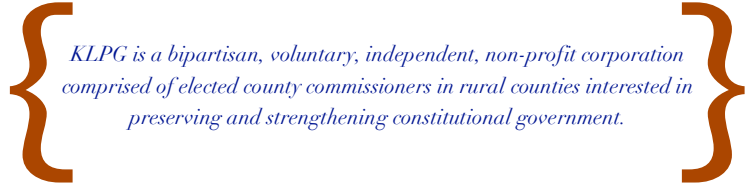
# CAPITOL HIGHLIGHTS

Newsletter of the Kansas Legislative Policy Group

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Address label



*KLPG is a bipartisan, voluntary, independent, non-profit corporation comprised of elected county commissioners in rural counties interested in preserving and strengthening constitutional government.*

## Weekly Conference Call

Stay up-to-date during Session regarding what occurs under the capitol dome.

**Fridays, 11:00am  
661-673-8600**

& dial 301599#  
when prompted

**SAVE THE DATE!**

TUESDAY,  
FEBRUARY 7, 2012

*for the annual*

**KLPG  
Day at the Capitol**

## HB 2502 aims to cooperate hog, dairy interests

HB 2502 is currently before the House Agriculture and Natural Resources Committee. This bill would make identical the processes for establishing corporate hog and dairy operations in Kansas counties.

Currently, Kansas law differentiates between hog and dairy interests in terms of public protest. After acquiring a county resolution, corporate dairy operators wishing to establish a new operation in a given county must endure a 60-day waiting period, in which time the public in that county are invited to file a protest petition. This petition must contain signatures of no less than 5 percent of county voters.

By contrast, the process for corporate hog operators wishing to establish a new operation mandates an automatic public vote.

HB 2502, endorsed by the Kansas Department of Agriculture, raises the petition signature threshold to 10 percent, and makes

the process identical for both hog and dairy interests: a county resolution and 60-day petition filing period with a 10 percent signature threshold.

“The intent is to make it easier to do business in Kansas,” said Rep. Larry Powell, Chairman of the House Agriculture and Natural Resources Committee.

On Friday, Jan.

27, Rep. Bob Brookens (R-Marion) introduced an amendment to HB 2502.

“[This amendment] is not in opposition [to HB 2502] at all,” Brookens said.

Rep. Brookens’ amendment allows county commissioners to submit a non-binding resolution under the hog and dairy law. Currently, commissioners have authority to submit non-binding

*“... this new language allows [a county commission] to vote without having a civil war in the family.”*

Rep. Vince Wetta,  
(D-Wellington)

House Agriculture and Natural Resources



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## KLPG Day at the Capitol

February 7-8, 2012  
*at the*

*Capitol Plaza Hotel*  
& Convention Center  
1717 SW Topeka Blvd.  
Topeka, KS 66612

If you require hotel accommodations, call  
and reserve your room by  
Tuesday, January 17:

**1-800-579-7937**

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**ADDITIONAL  
DETAILS  
FORTHCOMING**

\*

## Counties and corporate hog, dairy interests (continued from pg. 1)

(continued from pg. 1)

resolutions under Kansas county commission authority. However, current dairy and swine laws require a resolution be binding when it deals with dairy or swine interests.

The amendment's intent is to allow commissioners more flexibility. "We could have a commission that would like to do something but may not want to stick their neck out [politically]," said Rep. Brookens. A non-binding

resolution, Brookens said, is the best way to bring a corporate hog or dairy interest before a county commission. Rep. Vince Wetta (D-Wellington) said, "I understand - this new language allows [a county commission to] vote without having a civil war in the family. I support it."

The bill was tabled, and the Committee is expected to work it on Tuesday, Jan. 31.

## State submits Medicaid waivers needed for implementation of State's reform plan

In 2011, the state held a series of Medicaid public forums, inviting input on how the state could deliver higher quality care in a less expensive way. More than 1,500 comments were received, and more than 500 comments were received through the agency's website. From these forums emerged KanCare, announced in November 2011.

Dr. Robert Mosier, Secretary of Kansas Department of Health and Environment (KDHE), gave an explanatory presentation on KanCare to various Committees this week.

"The goal of KanCare is to improve outcomes and manage costs," said Secretary Mosier said in his testimony. KanCare, "addresses inefficiencies. This realignment will decrease the number of agencies dealing with Medicaid, thus increasing administrative coordination and streamlining Kansans' interaction with state government. The purpose is not to reduce staff or funding. The reorganization will foster an

environment in which each agency can more clearly focus on its mission and improve coordination across services and programs."

This week, the State of Kansas submitted a two-track waiver request to the Centers for Medicare and Medicaid Services (CMS). Such waivers are required for the State to overhaul its Medicaid system and implement KanCare.

In the waiver's first track, the State will work with CMS to implement KanCare by 2013. In the second, separate track, the State seeks to begin discussions with CMS to implement a global waiver. The global waiver's intent is to allow the state flexibility in administering outcomes-based systems.

A few Representatives in the House Health and Human Services Committee expressed concern over private company involvement in providing care to Kansans. Despite such private involvement, Secretary Mosier responded, the State "will still have some leverage. We still are in control."

## House offers tax plan; tax credits on the chopping block

The Kansas House rolled out concepts for its own tax plan this week.

The plan reflects Brownback's proposal by eliminating the Earned Income Tax Credit and maintaining corporate exemptions. However, the House's plan includes individual tax exemptions and credits which Brownback's plan repeals.

The House's plan eliminates 23 tax credits, including mortgage deductions and deductions for charitable contributions. The House's plan instead relies on state revenue increases to finance tax rate reductions across all tax brackets.

The House plan also allows the six cent sales tax directed toward the State General Fund to expire on schedule: FY 2014. Brownback's plan keeps this sales tax.

### GOP House Plan summary:

- Cut the income tax rate to 3 percent for individual income under \$15,000, or \$30,000 for married taxpayers filing jointly. The tax rate is now 3.5 percent.
- Lower the income tax rate to 4.9 percent on income higher than \$15,000, or above \$30,000 for married couples filing jointly. The rate is currently 6.25 percent for income between \$15,000 and \$30,000 and 6.45 percent on income higher than \$30,000
- Double the standard deduction to \$9,000 for head-of-household filers.
- Eliminate many separate deductions, including tax breaks for home mortgages, earned income, day care, adoption, historic preservation and environmental compliance. Eliminate individual state income taxes on non-wage business income like limited liability companies and the like.
- Preserve the entire one-cent state sales tax enacted two years ago. It was supposed to shrink by .6 of a cent in July 2013.

## Bioscience Authority releases audit, receives scrutiny

*Report finds former CEO Thornton "scrubbed" computer prior to his resignation*

The Kansas Bioscience Authority (KBA) recently released its nearly \$1 million forensic audit. This audit received a lot of press attention this week, most of which regarded former CEO Tom Thornton.

Thornton resigned from KBA on April 13 after an April 11 request was made for his computer. On April 20, a subpoena was issued for Thornton's computer, and the audit company later found evidence the computer was "scrubbed."

According to the audit report, Thornton inappropriately used \$4,800 of KBA money. However, in a presentation to the Senate Ways and Means Committee, auditor James Schneider said that Thornton

reimbursed KBA \$4,800 a few days prior.

The audit report said the audit's findings would have been "significantly altered" if Thornton's computer and KBA's "J-drive" (a computer drive that stores sensitive files) would not have been scrubbed.

The KBA Board was not found in the report to have broken any laws. However, the report cited loose rules and operating procedures.

Gov. Brownback said in a statement that, "the facts brought forth by the audit are deeply troubling. This is not how we do business in Kansas."

KBA is a \$581 million economic development organization tasked with expanding bioscience industries in Kansas.