



## **Community Bankers Association of Kansas**

### **Kansas Legislative and Policy Report**

**November 11, 2022**

#### **Overview**

After a long election night and close race between Governor Laura Kelly and Attorney General Derek Schmidt, Governor Kelly has won re-election by a narrow margin of about 16,000 votes. Other closely watched races included that of Attorney General and the battle between Democrat Chris Mann and former Secretary of State Kris Kobach, as well as several House races in Johnson County and two additional constitutional amendments. More on all of that below.

This report focuses on the General Election outcomes and implications, as well as covers some of the highlights over the last couple of weeks. We will provide a report in early December detailing leadership elections and committee assignments, as well as an updated look at the 2023 Session.

#### **2022 General Election**

##### **Governor's Race**

- Governor Laura Kelly has secured re-election with 49% of the vote to Attorney General Schmidt's 48% of the vote. Schmidt may request a recount with such a narrow margin, though it is unlikely provisional, or mail-in ballots would exceed Kelly's roughly 16,000 vote margin.
- Unofficial Results at the Secretary of State's website can be found here: [https://ent.sos.ks.gov/kssos\\_ent.html](https://ent.sos.ks.gov/kssos_ent.html)
- Because the Veteran's Day holiday falls on Friday, mail-in ballots will be accepted and counted through Monday, November 14<sup>th</sup>.

##### **Other Races & Issues**

- Former Secretary of State Kris Kobach defeated Democrat Chris Mann in a relatively close race, 51% to 49%.
- Secretary of State Scott Schwab won re-election 59% to 38% against Democrat Jeanna Repass.
- A controversial amendment that would have given the Legislature the authority to veto agency rules and regulations appears to have failed by an extremely narrow margin of just about 6,000 votes. The narrow outcome likely be challenged.
- Voters approved an amendment that would require sheriffs to be elected and restrict counties from combining their law enforcement agencies. The Sheriff amendment passed with a much larger margin, 62% to 38%.

##### **House Races at a Glance**

- The main takeaway from the Kansas House races is that House Republicans barely retained their supermajority, with the party split now being 85 Republicans (as opposed

to 86 after the 2020 election) to 40 Democrats (39 after the 2020 election). It takes 84 votes to override a veto.

- There were few surprises overall in the House races, with probably the most change in Johnson County, where both parties won a few and lost a few, and Democrats' net gain of one member in the House.
- With Kelly's re-election and House Republican's continued supermajority, it is likely the 2023 Session will experience much of the contention and disruption that has categorized the last few years on hot button issues, particularly those topics such as vaccinations, public health, and the ongoing battles over public versus private schools.

#### So, What's Next?

- The next order of business in the House is leadership elections. Current Speaker Ron Ryckman, who held an unprecedented three terms as Speaker, did not seek re-election, nor did Speaker Pro-tem Blaine Finch. There will be an entirely new set of leaders in the House come January 2023. While the majority leader and pro-tem positions are still somewhat up in the air, it is widely anticipated that current Majority Leader Dan Hawkins will be the next Speaker.
- The first week of December, the House will meet in Topeka to elect a new speaker, majority leader, speaker pro-tem, and a few other leadership positions. Later in December, House leaders will finalize committee assignments.

#### Big Picture

##### October Revenues

- The State's October tax receipts exceeded estimates by \$73.2 million, marking the 27<sup>th</sup> consecutive month the State has exceeded estimates. October's tax receipts totaled \$740.1 million, an amount \$77.4 million over collections in October 2021.
- The October 2022 tax receipts spreadsheet can be found here: [https://governor.kansas.gov/wp-content/uploads/2022/11/04\\_October\\_Revenue\\_FY2023\\_11-01-2022\\_Final.pdf](https://governor.kansas.gov/wp-content/uploads/2022/11/04_October_Revenue_FY2023_11-01-2022_Final.pdf)

#### Interim Activities

- The Special Committee on Taxation will meet Friday, November 18<sup>th</sup>, to discuss retirement and social security income taxation, property valuation, and unused tax provisions.
- The Legislative Budget Committee will meet November 22<sup>nd</sup> to review the updated consensus revenue estimates.
- The Joint Committee on TEFPI Oversight will meet Thursday, December 1<sup>st</sup>.

#### New State Treasurer

- Steven Johnson (R-Assaria) defeated incumbent Treasurer Lynn Rogers 54% to 41%.
- The week prior to the election, the candidates took part in a debate where they laid out their priorities as Treasurer. For Johnson, those include things like the 529 education savings programs and improving financial literacy.
- <https://kansasreflector.com/2022/10/27/kansas-treasurer-nominees-not-eager-to-add-audit-duty-split-on-college-saving-plan/>

#### ESG: Environmental Social Governance Update

- Leading up to the election, the candidates for Treasurer also weighed in on the issue of ESG, with Johnson drawing more attention to it as the election neared.
- In a strongly worded opinion piece in the Kiowa County Signal, current State Treasurer Lynn Rogers addresses the issue while noting the potential impacts on KPERS

investments. Rogers makes the case that “ESG data is objectively observable information about real financial risks that are not captured in financial statements. This information is a tool that can help investors make better decisions... We expect our investment professionals to evaluate companies with an eye towards which companies will create the most value with the lowest risk over the next few decades. I do not know how an investment professional could credibly claim to offer competent advice over the next few decades without relying on a broader analysis than a simple review of the financial statements.”

- <https://www.kiowacountysignal.com/2022/11/09/no-more-political-games-with-kansas-pensions/>

### **Upcoming Activities**

We will be providing updates monthly and as issues arise during the fall. Interim committee meetings can be viewed live or recorded on both the Legislature’s website <http://www.kslegislature.org/li/> and YouTube <https://www.youtube.com/c/KSLegislatureLIVE>

Additionally, interim committees, membership, agendas, and testimony can be found on the Legislature’s website, although meeting documents are not always timely. [http://www.kslegislature.org/li/b2021\\_22/committees/non\\_standing/#Joint](http://www.kslegislature.org/li/b2021_22/committees/non_standing/#Joint)

*Wednesday, November 16<sup>th</sup>.*

Legislative Coordinating Council. 10:30 AM.

- Legislative matters.

*Friday, November 18<sup>th</sup>.*

Special Committee on Taxation.

- Retirement and social security income taxation; property valuation; unused tax provisions.

*Monday, November 21<sup>st</sup>.*

Special Committee on Workforce Development.

- Presentations; Committee comments and recommendations.

*Tuesday, November 22<sup>nd</sup>.*

Legislative Budget Committee. 9:00 AM.

- Update on Consensus Revenue Estimates.

*Thursday, December 1<sup>st</sup>.*

Joint Committee on TEFFI Oversight.

- Review of TEFFI operations in Kansas and the TEFFI pilot; Report from OSBC; Committee report discussion and possible recommendations.

*Friday, December 2<sup>nd</sup>.*

Joint Committee on Pensions, Investments and Benefits.

- Review of pensions topics.

## **Wrap Up**

Let us know if you have any questions.

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