

Senator Jay Emler

Kansas Senate District 35

Thoughts from the Capitol

February 8, 2002

Jay Scott Emler, Kansas State Senator, 35th District

Assessment and Taxation

The Senate Assessment and Taxation Committee has heard testimony on a variety of bills that seek to increase taxes in different areas such as tobacco, gasoline, general sales tax and alcoholic beverages.

SB 425, introduced last week, would increase taxes on cigarettes and other tobacco products. Specifically, a 35 cent per pack increase is levied on cigarettes, and the tax on all other tobacco products is raised from 10 percent to 20 percent.

SB 425 also increases taxes on alcoholic beverages by the following rates:

- Cereal malt beverages and other beers From \$0.18 to \$0.23 per gallon
- Alcohol and spirits From \$2.50 to \$3.25 per gallon
- Fortified wine From \$0.75 to \$1.00 per gallon
- Light wine From \$0.30 to \$0.40 per gallon
- Alcoholic liquor sold in any club, restaurant, etc. From 10 percent to 12 percent of gross sales
- Enforcement tax From 8 percent to 10 percent of gross sales

It is projected that SB 425 would raise a total of \$86.8 million in FY 2003 with an accumulation of up to \$457.2 million over 5 years.

Governor Graves has proposed two tax increases embodied in SB 450 and SB 451. SB 450 proposes to increase cigarette taxes by 65 cents per pack. Proponents claim this tax would generate \$111 million in additional funds in FY 2003 and \$592.8 million over 5 years.

SB 451 proposes an increase in three different taxes. First, the state sales tax would be increased from 4.9% to 5.15%. This increase would generate an additional \$94.8 million in FY 2003 and \$510.5 million over 5 years. Second, the motor fuels tax would be raised by 1 cent per gallon, and the motor vehicle registration tax would be raised by 3%. Together these two increases would generate \$21.7 million in FY 2003 and approximately \$111.3 million over 5 years.

The Comparison:

What's the bottom line when comparing SB 425 versus Governor Graves's plan? SB 425 would raise \$86.8 million in FY 2003 and \$457.2 million over 5 years, and it affects all tobacco products and alcoholic beverages. The Graves package would generate an estimated \$228 million in FY 2003 and approximately \$1.218 billion over 5 years, and it affects sales tax, motor fuels tax, motor vehicle registration tax and the cigarette tax.



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Legislators Participate in "Take the Test Day"

Kansas Legislators had the chance to experience the state assessment tests given to students during the first "Kansas Take the Test Day." Sponsored by the State Department of Education, Kansans across the state were given the opportunity to "get a taste" of the knowledge and skills Kansas students are expected to acquire in different subject areas at various grade levels. The purpose of Kansas Take the Test Day is to demonstrate that Kansas public education system has high expectations for all children.

Kansas began using statewide assessment tests to gauge improvement in student achievement in 1991. Every year since, additional tests and improvements have been implemented. Currently, tests are given in reading, mathematics, science and social studies. Individuals wishing to take the sample test can find the assessment online at www.ksde.org. Good luck!

Rural Schools Use Telemedicine To Enhance Children's Health Care

Three years after the program was introduced in Kansas City, TeleKidcare has become a success in rural Kansas. The telemedicine program gives students the option of seeing a doctor without leaving their school building. In its simplest form, the wellness program links a computer and camera at the school nurse's office to one of equal capabilities at an outside health provider.

Made possible through grant funding by the Center for Telemedicine and TeleHealth at KU Medical Center, TeleKidcare is now operating in select southeastern and south central towns. Its basic intent is to allow children to see a health provider faster so they can get well sooner.

At a school with TeleKidcare capabilities, a child who becomes ill goes to the nurse's office where the nurse evaluates the child's condition. If the nurse decides the child should see a physician, the parents are notified. They can then jointly decide to use TeleKidcare, and the parents are invited to be present for the electronic doctor visit. The program is available to every school-age child free of charge.

Court Fine Reform

The Senate Judiciary Committee has introduced two new proposals at the request of the city of Wichita that would ultimately decrease the outstanding debt owed to municipal courts and decrease municipal court expenditures. Under the proposals, Kansans owing municipal court fines could be charged for collection of their debts, and people owing court costs would not be issued a vehicle license tag.

Currently, cities pay a collection agency 22 percent of the amount collected. Under the proposal, that cost would be shifted to the person owing the fines. For example, someone owing \$100 in fines would be assessed an extra \$22. The second proposal, would deny someone who owes court costs the ability to register for or renew a vehicle license tag. The two proposals would help with the collection of delinquent fines which was estimated to be \$17.4 million from 1998 through 2001. Hearings for the proposals have not been scheduled.

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Anthem Blue Cross and Blue Shield

Anthem Blue Cross and Blue Shield (Anthem BCBS) announced that if the acquisition of Blue Cross and Blue Shield of Kansas (BCBSKS) is approved, it will establish a \$25 million Small Business Rate Stabilization Fund that could help small businesses with the potential premium increases.

According to the Insurance Department's testimonial team, "the proposed affiliation complies with Kansas law and is fair and equitable to policyholders and not contrary to public interest." During the recent hearings on the proposed acquisition, the only issue raised by the testimonial team was concern for premium rates for small groups.

David Frick, Anthem's Executive Vice President, argues that "In effect, this provides a safety net for small businesses facing increases in health insurance premiums. Anthem Blue Cross and Blue Shield's track record demonstrates that our premiums have remained consistent with general market levels wherever we operate." In addition, Frick said that the affiliation will bring about significant savings in administrative costs and opportunities to expand BCBSKS's business, both of which would also help stabilize premium levels for all BCBSKS customers.

"The fund provides an important guarantee that wouldn't exist if BCBSKS continued on its own," said Micheal Mattox, Executive Vice President of Blue Cross and Blue Shield of Kansas.

The Insurance Department's testimonial team hired an outside expert, PricewaterhouseCoopers (PWC), to conduct an extensive study of the potential market impact of Anthem BCBS's purchase of BCBSKS. PWC concluded that, "In other states in which Anthem operates, rates of increase in insurance premiums have remained consistent with general market levels. In some cases . . . rates of increase have been lower than expected."

A decision must be made on the sale by February 25.

Enterprise Facilitation Communities Announced

Lt. Governor/Commerce & Housing Secretary Gary Sherrer announced three demonstration projects designed to strengthen rural economies throughout the state by providing assistance to entrepreneurial businesses. The projects are part of the Kansas Department of Commerce and Housing's new Enterprise Facilitation Initiative.

Enterprise Facilitation is a grassroots approach that relies on local knowledge to create new jobs by assisting in the development of small businesses. The program introduces a "trinity" management concept in which local volunteers specializing in production, marketing, and financial management work together to launch new enterprises.

Nine groups submitted proposals for the new initiative. The three projects selected for the Enterprise Facilitation program are each community consortiums, representing multiple counties. The first is the Quad County Enterprise Community, consisting of Chautaugua, Elk, Greenwood, and Woodson counties in southeastern Kansas. The Four County Sunflower Region includes Harper, Barber, Kiowa, and Pratt counties in the south central part of the state. The final group, the Western Kansas Enterprise Facilitation Community Consortium, represents Sherman, Greeley, Wichita, Scott, Lane, and Kearny counties.

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Each project is slated for three years, and the total cost is estimated to be \$900,000 for all three demonstration projects. Two-thirds of this cost will be covered by federal Small Cities Community Development Block Grant assistance funds. Local recipients will be responsible for the remaining costs.

Shuttle Service for Constituents

If you haven't experienced the parking situation here at the Capitol, yet, then you should know that constituents wishing to visit their legislators have a tougher than usual challenge of finding nearby parking. However, a solution has been found. Effective January 28, shuttle service to and from the Capitol building and the Kansas Motor Pool Parking Lot located near 1st Street and Harrison was made available to the public through donations acquired from area benefactors. No state funds are being used to finance this shuttle. Entitled "Project Access", the service is on a two to three week trial. If it proves beneficial, the service will continue for each legislative session day. There is no charge to the public, the service runs from 7:30am to 5:30pm and it will run every 15 to 20 minutes. Maps and directions are available upon request.

School Financing

The only funding proposal that is currently being considered is the one which was in the Governor's original budget. That proposal would cut \$158 from the base state aid per pupil. I do not believe that will be the final position of the Senate. I believe the Senate will try to fund K-12 education at the same level as last year. It will be more difficult, however, since the rescission bill did not pass. Until some sort of "revenue enhancement" package is passed, there is no way to know what the actual amount of funding will be.

Reapportionment

I attended several meetings of the Senate Reapportionment Committee this week. The Congressional reapportionment maps are a concern for the 35th District. Several of the proposals put McPherson County and about one-third of Marion County in the 4th District. That district is currently represented by Todd Tiart. It is my belief, after speaking to several of my constituents, that both McPherson and Marion Counties prefer to stay in the 1st District, currently represented by Jerry Moran. I have passed that message on to the members of the Reapportionment Committee.

Senate reapportionment has been very interesting, too. I have seen maps that take the 35th District into Chase and Morris Counties and divide Dickinson County between three different districts. I have also seen maps that unify Dickinson County and give more of Marion County to Senator Barnett's district. This process should be finalized during the week of February 11th. If you have any questions or concerns, please contact me as quickly as possible.



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I appreciate hearing from you. There are three convenient ways to contact me. You may write to me at:

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State Capitol Building, Room 128-S
Topeka, Kansas 66612.

Or, you may call me at:
785.296.7354.

Or, you may e-mail me at:
emler@senate.state.ks.us.

For those of you who want to write to me at my McPherson office or home, feel free to do so. It takes me a little longer, however, to respond because the letters and e-mail are forwarded to my Topeka office.