



## 2010 Legislative Priorities

### Top Priorities

*Top legislative objectives the Chamber will actively promote during the 2010 Kansas session.*

#### EDUCATION

The Chamber recognizes the importance of quality education to the economic prosperity of Kansas. The Chamber supports:

- Fundamentally reforming the school finance formula to maximize available resources by better correlating funding to actual costs of providing services, incenting operational efficiencies and expanding local flexibility and control over how education funds are raised and spent.
- Proposals that maintain and enhance public education programs, which includes early childhood education through post-secondary education;
- Expanding local control, in order to maintain and enhance the State's long-term economic health and skilled workforce;
- Maintain funding for quality PreK-12 education and oppose additional budget cuts that undercut districts' efforts to meet and exceed the proficiency needs of all students including;
  - Increasing the cap on the Local Option Budget (LOB) to allow for additional cost of living adjustments or to cover the increase in employee health insurance costs, or phasing the cap out altogether;
  - Full funding for full-day kindergarten;
  - Maintaining the current reimbursement formula for special education catastrophic aid until the entire special education funding formula is rewritten to remove the discrepancy in excess cost distribution;
  - Allowing rapidly growing school districts to conduct a second enrollment count;
  - Enabling school districts to receive increased funding for non-proficient at-risk students, irrespective of family income levels.

## TRANSPORTATION

The State's transportation systems are the foundation for the efficient movement of people and goods, and are crucial for economic development, business retention and expansion, and job creation throughout Kansas.

Today, four out of five highways (83%) in the state are in good condition. However, without continued investment to maintain and modernize our highways, the progress we have made over the last 20 years could be easily lost.

The current level of funding is inadequate to even maintain existing systems to the good conditions we now enjoy. The progress made over the past 20 years will be lost within a decade unless investment levels are increased sufficiently.

The Chamber supports the City of Overland Park's highest transportation priority, which is completing the improvement and widening of US-69 from I-435 to 167<sup>th</sup> Street and the improvement and widening of I-435 from I-35 to US-69. The Chamber urges these to be priority projects identified in the new Comprehensive Transportation Program, CTP, in recognition of their economic impact on the entire state's economy.

The Chamber supports:

- A new robust multi-year CTP to maintain and expand the State's transportation systems.
- Requiring economic development, job creation, and local financial support be included as factors in establishing project priorities.
- Continuing to utilize bonding as a funding option with added flexibility by implementing a "debt service to revenue cap" as the basis for the amount of debt that may be issued to fund the construction of transportation infrastructure.
- Increasing the traditional funding sources for transportation such as the fuel tax and vehicle registration fees.
- Consideration of additional funding sources to close the gap between identified needs and funds available to meet those demands such as a sales tax for transportation and exploration of expanded tolling on our highway system.
- Consideration of new business models and additional project delivery mechanisms for more strategic investments.
- Dedicating revenue streams directly to transportation.
- Maintaining transportation funding from state to local governments for local transportation infrastructure needs.

## **HEALTH CARE COSTS**

To minimize increases in healthcare insurance and healthcare costs, the Chamber opposes:

- Any expansion of health benefit mandates, which would raise insurance premiums;
- Plans or programs that would increase the cost to employers by mandatory compliance.

The Chamber would encourage exploring alternatives to manage costs, such as:

- Increasing access to affordable health care coverage;
- Small group planning;
- Expanded promotion of health savings accounts;
- Additional legal liability reform;
- Offering a limited or “mandate-lite” plan to businesses not currently offering health insurance to their employees.

## **ECONOMIC DEVELOPMENT**

Strong state economic development tools are vital for local business recruitment and retention. The Chamber strongly encourages the Legislature to:

- Support the authorization of saleable or refundable tax credits to improve our competitive position with other states’ incentive programs.
- Improve accessibility of cash incentives and work toward building an economic development contingency fund.
- Expand job creation eligibility thresholds within the PEAK (Promoting Employment Across Kansas) legislation originally passed in 2009 session.

## **ENERGY AND ENVIRONMENT**

Clean, reliable and affordable energy is a major concern for Kansas. Economic growth and a growing population continue to place demands on current capacity. In order to insure we have energy available to meet future demands, the Chamber:

- Supports the development of a long-term energy plan that balances environmental and cost benefits, while ensuring reliable and ample power for the region.
- Supports policies to promote voluntary investment in energy efficiency measures such as incentives to promote sustainability for consumers, businesses and communities.

## **Important Priorities**

*Other legislative objectives the Chamber will endorse and monitor during the 2010 session.*

### **BIOSCIENCE INITIATIVES**

Life, plant and animal science programs lead to additional jobs and revenue for the State and the Chamber supports legislation to expand these programs. The Chamber:

- Supports public policies to improve the competitive position of Kansas in the life science industry;
- Opposes burdensome state standards on stem cell or other bioscience research that go beyond federal restrictions that would weaken the Kansas Economic Growth Act;
- Encourages the Legislature to define the term “human cloning” to better define this issue.

### **LEGISLATIVE FISCAL AUTHORITY**

The Chamber believes the responsibility to appropriate funds lies with the democratically elected legislature and strongly opposes efforts to limit that authority. The Chamber opposes:

- All constitutional amendments or statutes that restrict legislative authority to make decisions regarding taxing or spending;
- Sending legislative spending or tax initiatives to a public vote, automatic tax refunds or other artificial limits on the budget process, such as the TABOR initiative;
- Any and all TABOR initiatives at any level of government.

### **HIGHER EDUCATION**

Our Higher Education institutions have been a significant benefit for workforce development and economic growth. The Chamber supports:

- Enhanced funding to address deferred maintenance on infrastructure.
- Measures to improve workforce development including enhanced career and technical education throughout the state.
- Maintaining the funding for the Kansas Cancer Institute.
- Continued local control for the management of our colleges.

### **TORT REFORM**

The Chamber supports several reforms that would help expedite the legal process and lower litigation costs. Those changes would include:

- Changing the standard for expert testimony

- Abrogation of the collateral source rule.
- Maintaining the cap on non-economic damages and any other reforms to lower the cost of doing business.

### **WORKERS' COMPENSATION**

The Chamber supports reforms that would protect employers from unnecessary filings and will work to strengthen workers compensation drug and alcohol laws to ensure a safe work environment for Kansas employees.

### **TAXATION ISSUES**

The Chamber supports a balanced approach to maintaining the services the State currently provides while providing a positive business climate. The Chamber opposes any change in tax law that would remove the exemption of sales taxes on services thereby negatively impacting our competitiveness with neighboring states.

### **EMPLOYMENT SECURITY TRUST FUND**

The trust fund from which all unemployment benefits are paid is nearing exhaustion. Unfortunately, the fund's impending bankruptcy will require more from employers.

The Chamber supports returning the Employment Security Trust Fund to solvency while balancing the cost to employers, especially considering the difficult economic conditions we are presently experiencing.

### **Standing Priorities**

*The Chamber's standing policies, which may or may not come up during any given legislative session.*

**SUPPORT:** Reform the definition of corporate unitary income tax liability as to not penalize a corporation locating further facilities or personnel in Kansas.

**SUPPORT:** Current sales tax situs law on motor vehicles.

**SUPPORT:** Current laws regarding exemptions to the Kansas Open Records Act.

**SUPPORT:** Merit-based system of selecting judges in Kansas.

**SUPPORT:** Monitoring of government spending and redirect money saved as a result of increased effectiveness and efficiencies to be directed to other programs in need of additional funding.

**SUPPORT:** Regulatory framework that results in consistent and predictable application of state policies, procedures and regulations.

**SUPPORT:** Periodic update of the Kansas Corporation Code to remain competitive with neighboring states.

**OPPOSE:** Changes to statutes governing cities' ability to annex unincorporated land with the County's approval.

**OPPOSE:** Unfairly penalizing employers who take reasonable steps to avoid hiring illegal immigrants.

**OPPOSE:** Tax policy changes and mandates that simply shift the tax burden to other areas of state government or to other levels of government, tax policies that redistribute locally raised sales tax revenues to the state or other local jurisdictions or the use of "sweeps" to move funds from "dedicated funds" to the general fund to be used for other than their intended purpose.

**OPPOSE:** Any constitutional amendment that would bar the use of eminent domain or efforts to further restrict local municipalities' ability to use eminent domain to address blight or economic development opportunities.

**OPPOSE:** Increase in individual and corporate income tax rates.

**OPPOSE:** Tax lids on local government.

**OPPOSE:** State-mandated binding arbitration in employment disputes.

**OPPOSE:** Artificial limits on appraised valuation growth such as the "Proposition K" legislation introduced in the 2009 session.

**OPPOSE:** Requiring a 2/3 "supermajority" vote by state or local governing bodies to approve tax increases.

**OPPOSE:** Initiative and referendum.

**OPPOSE:** School vouchers to protect public funding for schools.

**OPPOSE:** Changes to statutes governing County Commission approval of incorporation of new cities.

**OPPOSE:** The "sweeping" of monies into the state general fund from fee-funded agency funds intended to provide licensing and oversight for designated industries as well as any future allotment orders that

could discontinue or otherwise interfere with reimbursement to the Health Care Stabilization Fund (HCSF).

**SUPPORT:** Assessment and taxation of newly constructed homes based on occupancy rather than on completion.