LEGISLATIVE AGENDA 2015
FOR A HEALTHY ECONOMY
SAVINGS | PROTECTION | INVOLVEMENT | INFORMATION
The Kansas Chamber is a pro-business advocacy organization representing the interests of small, medium and large businesses across the state. We are dedicated to promoting policies that reduce employer costs and to making Kansas the best state in the nation in which to do business.

Throughout our legislative agenda development process, the Kansas Chamber’s core principles of free enterprise and removing obstacles that impede job creation and slow economic growth were reiterated. Our members provided input on policy and legislative strategy through workgroup conference calls on taxes, human resources, health care, legal reform, education and energy policy issues. Likewise, the feedback from meetings with Cornerstone members and local chambers along with the results of our Kansas Business Leaders Poll and Annual Competitiveness Index (ACI) were used to frame the state’s key business issues in this agenda. Through this process business leaders from across the state have told us their concerns, and we are confident that the 2015 Legislative Agenda for a Healthy Economy reflects the need to reduce the cost of doing business in Kansas so we can expand jobs and grow our economy.

This year marks the 10th year we have conducted the ACI. With 10 years of economic data and trends, we conducted a comprehensive ACI “look-back” to show where Kansas has improved nationally over the past 10 years, and where we still have room for growth.

The core focus of the Kansas Chamber’s work at the Statehouse will be on protecting the business community from increased costs such as higher taxes, user fees and loss of tax exemptions.

These are challenging times in Kansas for our government and for businesses. But together, we are United For Business to develop a strong private sector, so Kansas can flourish.

The mission of the Kansas Chamber of Commerce is to continually strive to improve the economic climate for the benefit of every business and citizen and to safeguard our system of free, competitive enterprise.

“As an advisor to businesses across the state I see firsthand the tremendous impact the policies advocated by the Kansas Chamber of Commerce are having on the business climate in Kansas. The Kansas Chamber is highly effective in developing and advocating policies that directly benefit the business community and is working hard to hold elected officials accountable for their support of the pro-business agenda.”

-Bill Pickert, Managing Partner, BKD, LLP
Table of Contents

Kansas Business at a Glance ................................................................. 2
Taxation* ......................................................................................... 3
Government Efficiency ................................................................. 4
Legal Reform .................................................................................. 5
Human Resource Issues* .............................................................. 6
Health Care* .................................................................................. 6
Energy & Environment* ............................................................... 7
Regulatory Affairs ....................................................................... 8
Education ....................................................................................... 8-9

* Both a federal and state issue

Kansas Business at a Glance

The Kansas Chamber commissions Cole Hargrave Snodgrass & Associates to poll 300 member and non-member businesses that reflect Kansas businesses geographically and with regard to number of employees. The issues identified by the business community in the Business Leaders Poll helps lay the foundation for the 2015 Legislative Agenda.

Most Important to Profitability:

MENTIONED: December 2014

Lower taxes on business 40%
Managing health care costs 33%
Decrease regulation/mandates 29%
Reduce fuel and energy costs 19%
Economic incentives for business 17%
Stop frivolous lawsuits/tort reform 16%
Limit growth of state government 13%
Workers’ compensation 8%
Unemployment compensation 5%

(Each survey participant was allowed up to two responses)
Taxation*
reduce taxes, encourage investment and growth

The Kansas Chamber urges the Legislature to reduce the cost of doing business, and will encourage efforts to:

- Oppose any attempts to roll back the tax cuts of 2012 & 2013 or suspend future statutory or growth-enabled rate reductions.
- Reduce government spending instead of increasing the cost of doing business through tax increases.
- Oppose the sunset or repeal of existing sales tax exemptions on business inputs and professional services.
- Retain and enhance tax incentives to include more flexible investment and job development tax credits with options for cash incentives.
- Oppose elimination of the High Performance Incentive Program (HPIP) and reinstate the same qualifying investment thresholds for all Kansas counties.
- Oppose efforts to freeze or eliminate the Promoting Employment Across Kansas (PEAK) program.
- Reimburse retailers a percentage of the cost to comply with collecting and remitting sales and excise taxes to the state.
- Encourage federal and state resolution regarding collection of sales taxes by out-of-state, online-only retailers.
- Improve the Kansas unclaimed property system to ensure it is fair for both owners and holders.
- Oppose any proposal to redirect the current .4 cent sales tax dedicated to the State Highway Fund and complete the projects encompassed in the Comprehensive Highway Plan.

* Both a federal and state issue

WHAT’S IT MEAN?
Business Tax Burden accounts for all business tax costs as percent of private state GDP. Kansas’ rank shot up in 2013 with the rollout of its new tax bills, ranking it now 26th, on par with its neighbors Iowa and Oklahoma. Arkansas, Nebraska and Missouri however, rank in the Top 15.

WHAT’S IT MEAN?
This measure is the Corporate Tax Index taken from the Tax Foundation. It strives to measure fairness and balance across all businesses by favoring tax systems that are simple and have low tax rates across a broad base. The Kansas score showed some improvement in 2010 and 2011. However, the index dropped in 2012 and 2013, and the state continues to rank below mid-point at a current rank of 38th with no change from the previous year.

“The Kansas Chamber takes the responsibility of keeping a positive business environment within our great state, so that entrepreneurs and business owners can continue to focus on maintaining and growing their businesses. They deal with the politics and policies so business owners can do their work.”

-Paula Landoll-Smith, Marketing Director/Public Relations, Landoll Corporation
Government Efficiency
create an environment for job growth

The Kansas Chamber encourages government reform aimed at lowering the overall cost of state government so it is more affordable to Kansas businesses and residents through policies that:

- Promote adoption of “Lean Government” practices to transform the state into a more efficient enterprise.
- Implement priority- or performance-based budgeting throughout all levels of state government.
- Establish transparency and uniformity in budgeting for all levels of government.
- Establish a “BRAC-like” process for closure or realignment of government functions and agencies.
- Support outsourcing state government functions to the private sector while maintaining needed services and lowering the cost of doing business in Kansas.
- Establish a framework to encourage and incent the consolidation of local units of government.
- Transition the State's pension plan (KPERS) from a Defined Benefit Plan to a Defined Contribution Plan.
- Oppose use of public funds to bring litigation in pursuit of more public funding.

![Kansas State & Local Government Spending vs. Personal Income](chart)

**WHAT'S IT MEAN?**
Due to the national Great Recession of 2007-2009, Kansas, like most states, experienced slowing total personal income in 2008-10, so much so that total state personal income in 2008 was higher than in 2010. However, state and local government spending continued to increase at the beginning of the recession relative to its 2006 levels though tapering down in 2009-2011, again being met with rising income in 2011.

“...The Kansas Chamber has done an excellent job of providing a unified voice for the interest of business in this state. This is absolutely critical for small to medium size businesses that do not have the resources to lobby government, but are dependent on the advocacy that the Chamber provides. In the past few years it has significantly helped to improve the regulatory environment within Kansas to help business grow and prosper. “

-John Altstadt, President, Florence Manufacturing / A Gibraltar Industries Company
Legal Reform
promote fairness, reduce liability

The Kansas Chamber supports efforts to improve the legal climate in Kansas by reducing incentives for litigation that disproportionately awards plaintiffs and will support legislative efforts to:

- Repeal provisions of the current collateral source rule that prevents juries from hearing evidence that some of Plaintiff’s claimed damages have already been paid.
- Support amendments to the Code of Civil Procedure to enable assessment of attorney fees against the losing party in a lawsuit under appropriate circumstances.
- Support judicial selection reform measures that provide for a greater level of transparency, public input and accountability and encourage the legislature to construct a reasonable reform measure that addresses these objectives.
- Support reform of Kansas law regarding awards of attorneys’ fees against insurance carriers who contest coverage for loss under a policy that includes coverage for damage due to lightening, fire, tornado or hail.
- Support legislation that protects against bad faith patent infringement demand letters, while preserving the right for businesses to communicate in good faith the licensing or enforcement of patents.

Word Wall - Most Important Issues For Kansas Business
Human Resource Issues*
reduce costs to promote growth

The Kansas Chamber supports policies that promote fairness and protect employer costs and will:

- Support policies which maintain the integrity of the Employment Security Trust Fund, and accurately reflect the employer experience rating when determining contribution rates.
- Encourage federal resolution to immigration reform and oppose state legislation increasing penalties or threatening the business licenses of employers who have unintentionally hired illegal workers.
- Defend the workers’ compensation system and the recent reforms with policies that fairly compensate workers legitimately injured performing duties for their jobs, while maintaining low costs for employers.
- Maintain fair labor practices by opposing unfair advantages for union organizations.
- Oppose state-led efforts which put employers in conflict with federal discrimination laws.

* Both a federal and state issue

Health Care*
reduce employer costs, promote personal responsibility

The Kansas Chamber supports meaningful health care reform aimed at lowering the overall cost of health care so it is more affordable for employers and will encourage policies that:

- Oppose government competition with the private market.
- Oppose mandated employer-based coverage or payment.
- Expand tax incentives available for employers and individuals choosing to purchase individual policies or health savings plans.
- Defend the rights of employers to choose the plans they offer.
- Support state-level implementation of policy measures which improve efficiency and effectiveness of health systems.
- Support equal access for employers to purchase insurance through private exchanges.
- Support tort reform to reduce medical liability.
- Reduce cost-increasing mandates insurers are required to include in policies so that more affordable plans are available for employers.
- Increase personal participation in health care purchasing.
- Support participating in Medicaid discussions focused on Kansas-based, private market solutions to ensure business community interests and concerns are represented.

* Both a federal and state issue
Energy & Environment*  
*Both a federal and state issue*

The Kansas Chamber supports efforts to maintain a comprehensive energy policy that balances a diverse portfolio of energy sources and technologies, and will:

- Avoid picking winners and losers among energy sources and technologies.
- Support incentives for businesses to voluntarily utilize energy more efficiently versus penalties and/or mandates.
- Oppose mandates and policies that increase business costs when sourcing energy.
- Support repeal of the Renewable Portfolio Standard (RPS) mandate.
- Promote the development of market-driven energy technologies.

**WHAT’S IT MEAN?**

Although of less importance than labor, health insurance, and taxes, energy costs are nonetheless a core concern of employers especially for energy-intensive Kansas industries such as transportation, equipment manufacturing, and agriculture, and they are highly variable across states. Kansas average industrial and commercial electricity prices have seen a rapid increase over the decade and especially since 2007, and its ranking has continuously dropped from a high of 13th to a current 32nd place, placing it below all states in the 6-state region.

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**WHAT’S IT MEAN?**

As with most of its neighbors, Kansas has instituted a renewable energy mandate. However, research has shown that states with renewable energy mandates have experienced significantly higher energy costs across all sectors and have experienced slightly lower economic growth (Institute for Energy Research).
Regulatory Affairs
support free enterprise, encourage competition

The Kansas Chamber supports a regulatory climate that promotes a healthy business climate and instills regulatory certainty, through policies that:

- Maintain a set of clear requirements in the regulatory process that instills confidence for businesses that follow the rules when seeking to do business in the state.
- Lift outdated restrictions on the retail sale of legal products to create a level playing field and a consumer-centric environment where all businesses large and small play by the same rules.
- Support the rights of industry and private land and mineral owners from burdensome regulations due to threatened and endangered species.

Education
support an excellent education system which produces a well-educated, well-trained Kansas workforce for tomorrow’s business needs

The Kansas Chamber supports increasing the quality of education for tomorrow’s workforce and the efficient use of tax dollars through policies that:

- Support a suitable school finance system for K-12 education that ensures taxpayer dollars are adequately and efficiently invested toward instruction in order to provide students and teachers with the resources needed to fulfill the mission of the Department of Education.
- Support policies which promote coordination of resources and alignment of curriculum between K-12 and higher education institutions to ensure the workforce needs of Kansas businesses and career needs of students are being met.
- Support vigorous and dynamic Kansas-based primary and secondary education standards that focus on college and career readiness and which ensure acquisition, retention and comprehension of an essential base of knowledge at every step of the educational process toward a career suited to each student’s interest and ability.
- Support efforts to attract and retain the best and brightest teachers for the benefit of our Kansas children through a system that rewards excellence in teaching and protects against retention and promotion of underperforming teachers.
- Oppose restrictions on certifications which deny otherwise qualified individuals from providing instruction.
- Support efforts to offer parents and students a variety of educational choices regardless of their socio-economic status, and support efforts to create innovative school environments designed to maximize the educational experience of children who don’t thrive in traditional educational settings.

“As a small business owner focused on the daily operations of my business, I count on the results of the Kansas Chamber’s advocacy. Their efforts with lawmakers in Topeka consistently result in better business policies that continue to ensure that small businesses, like mine, can succeed and stay here in Kansas.”

-Shirley Martin-Smith, Owner, Adecco Staffing
Education (cont.)
support an excellent education system which produces a well-educated, well-trained Kansas workforce for tomorrow’s business needs

WHAT’S IT MEAN?
While education spending is a Kansas priority, K-12 efficiency also deserves prioritization -- certainly at the administrative level. Kansas administrative spending as a percent of total K-12 spending persistently exceeds the U.S. average, 15% above. Between 2005 and 2008, there were signs of improvement with a narrowing gap. 2009 saw a rise in both Kansas and the US average, but 2010 has seen a widening gap again due to rising spending in Kansas relative to a stagnant US average. In 2011, Kansas seemed to be back on track in administrative spending.

WHAT’S IT MEAN?
Kansas is known for good schools in terms of educational outcomes. It ranks consistently in the upper two quintiles, usually close to two neighboring states Colorado and Iowa, also nationally recognized for good schools. Like its neighboring states and the nation Kansas K-12 spending has been constrained in recent years, especially since the 2007-09 Recession. Nevertheless, according to Education Weekly per pupil spending, adjusted for input costs and student need, Kansas has held up quite well compared to neighboring states.
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Visit our website kansaschamber.org to view the official Kansas Chamber video and more.
THE PREMIER BUSINESS ORGANIZATION IN KANSAS, WORKING AT THE STATEHOUSE TO REDUCE COSTS FOR ALL BUSINESSES.