

MANHATTAN AREA
CHAMBER OF COMMERCE

2018



LEGISLATIVE
POLICIES
& POSITIONS



Manhattan
Area Chamber of Commerce *Kansas*

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Manhattan Area Chamber of Commerce 2018 Legislative Policies & Positions

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BUSINESS

Guiding Principles

1. Governmental policies, regulations, and mandates should be minimized to encourage private sector employment, private investment, product development, and export growth. Public legislation should include cost-analysis data and funding for any future regulations and mandates.
2. Local government bodies should recognize in their purchasing policies the value to the local economy of purchasing goods and services from local businesses. While it is essential that any business under consideration meet all qualification requirements and provide competitive pricing — assuming “all things are equal” in the evaluation process — doing business locally should be encouraged in both policy and practice.
3. Health care availability and affordability continues to be of paramount concern to business for a healthy workforce and from a business-expense perspective. Federal and state governmental bodies must collaborate and make decisions that ensure both healthcare and business entities are provided with a stable planning environment so that business can grow, and healthcare providers and institutions remain available and accessible for the workforce.

Action Items

1. Local Government Purchasing Policies and Local Business Preference

Current city and county government purchasing and contracting policies do not adequately recognize overall value and return on investment in their current purchasing policies. While there are varying economic perspectives, it is a widely accepted principle that local businesses return a high percentage of each dollar spent back to the community via a “multiplier effect,” where dollars spent with a local business, return dollars to the community through taxes, employee wages, and the purchase of materials and supplies at other local businesses. In addition, local businesses will return dollars back to the community through other channels such as school funding and contributions to local nonprofit organizations.

Roadblocks to Successful Resolution

Short term cost impact (lowest price) may be emphasized over total operating cost and/or overall “best value” and return on investment for the community. Low cost/price will always be a very important purchasing/contracting decision factor since the taxpayer is ultimately responsible for paying the operational cost associated with providing city and county services.

Recommended Actions

A) City of Manhattan, Riley County and USD 383: Incorporate language into the cities, counties and school district's purchasing policies that highlights the value of doing business with local businesses so that the overall cost and return on investment can be adequately considered in the review and decision-making process in awarding contracts for goods and services. Local preference should come into play, assuming all qualifications and requirements are adequately met by the local business competing for the contract for goods or services.

2. Immigration Reform

The Manhattan economy is dependent upon a diverse labor pool of people in the region. Undocumented immigrants undoubtedly comprise a portion of the Manhattan region and Kansas workforce in general. Laws that would remove these persons from the labor pool would impact the economy in a negative manner.

Roadblocks to Successful Resolution

Current policies and processes in place to legally immigrate and obtain legal status are very complex and cumbersome. We are operating with gridlock and lack of federal Congressional consensus regarding an approach to immigration reform.

Recommended Actions

A) U.S. Congress: Develop immigration policies that allow immigrants to obtain legal status more quickly and with less complexity.

B) U.S. Congress: Develop a solution to immigration reform that does not increase penalties or threaten business licenses of employers who unintentionally hire illegal workers.

C) U.S. Congress: Consider increasing the number and availability of seasonal/temporary work VISAs.

3. Expansion of Medicaid in Kansas

The health care costs of low income, uninsured individuals are currently being passed on to businesses and others in the system. As such the Chamber supports solutions that maximize coverage under the KanCare/Medicaid program to those newly eligible under the federal Affordable Care Act (ACA). The Chamber supports fair and appropriate implementation of the ACA, including sufficient funding for KanCare/Medicaid to ensure the ongoing viability of health care providers who serve the uninsured and the underinsured.

If Kansas does not expand Medicaid, more than \$2.2 billion in federal matching funds will be lost between 2016 and 2020, stifling economic and employment growth.

Roadblocks to Successful Resolution

Simply, until this point, legislative leadership and policy directors in the Governor's office have blocked attempts to hold a dialogue and create solutions to the growing list of uninsured and underinsured residents in Kansas.

Recommended Actions

A) Kansas Legislature: Develop a common-sense compromise on the expansion of Medicaid to ensure the ongoing vitality of health care providers who serve the uninsured and underinsured.

CONVENTION AND VISITORS BUREAU

Guiding Principles

1. Tourism is a vital part of our area's economy. Successful tourism development creates revenue, jobs, and taxes for the region and supports the quality of life of our citizens, generating millions of dollars in sales tax revenues.

Action Items

1. *Transient Guest Tax and the Convention and Visitors Bureau*

The City of Manhattan has collected a TGT since 1978, with the collections directed to conduct the promotion of tourism to Manhattan. In August 2017, the Manhattan City Commission increased the TGT to 7%, effective October 1, 2017.

Roadblocks to Successful Resolution

- Continued pressure to allocate funds to other needs not meeting the definition for convention and tourism promotion.

Recommended Actions

A) City of Manhattan: Ensure that the TGT funds be used to increase future tourism promotion or fund future tourism events, programs and facilities that generate and support tourism and conventions, maintain and increase visitor spending and thereby improve the City's economy and position in the tourist and convention industry. Funds should not be used to shore up current projects or pay off bonds on prior projects.

B) City of Manhattan: Ensure that TGT-funded projects meet the definition of Kansas Statute 12-1692 that defines convention and tourism promotions as 1) activities to attract visitors into the community through marketing efforts, including advertising, directed to at least one of the five basic convention and tourism market segments: group tours, pleasure travelers; association meetings; and conventions, trade shows, and corporate meetings and 2) support those activities and organizations that encourage increased lodging facility occupancy.

C) City of Manhattan: Move funding for the Manhattan Arts Center, Wolfe House, Downtown Manhattan Incorporated, Aggieville Business Association and similar requests to the General Fund and not use TGT or economic development funds for funding these entities.

2. *Manhattan Conference Center*
(Item also included in Economic Development section)

The Manhattan City Commission approved a one-year solution for the 2018 Conference Center payment that included the use of Economic Development infrastructure funds and Transient Guest Tax funds. For 2019 and beyond, all Conference Center payments should come from the General Fund.

Roadblocks to Successful Resolution

Financial constraints on the city could cause city commissioners to reconsider using TGT and economic development funds for payments on the Conference Center.

Recommended Action

The Chamber supports taking the next step in exploring Conference Center expansion and identification of revenue to support the expansion.

DEFENSE

Guiding Principles

1. The Manhattan Area Chamber of Commerce supports actions that keep the Fort strong, vibrant and valued by the Army of today and of the future, and which also support the community's economic and community development initiatives.
2. The Manhattan Area Chamber of Commerce supports land use planning and zoning decisions by local jurisdictions that have taken into consideration the impact of such decisions on Fort Riley's current and future training requirements.
3. The Manhattan Area Chamber of Commerce supports efforts, both legislative and non-legislative, by local, regional and state entities that provide for quality education and training opportunities for military members and their families, and veterans and their families.
4. The Manhattan Area Chamber of Commerce supports affordable infrastructure improvements at the Manhattan Regional Airport that support Fort Riley's needs.
5. The Manhattan Area Chamber of Commerce supports efforts that advance partnerships with Fort Riley, and which are cost effective and beneficial to all parties involved in the partnership arrangement.

Action Items

1. *A Strong, Vibrant, and Valued Fort Riley*

The budget for the Department of Defense (DoD)/National Security continues to be of concern. As a result of previous DoD budget shortfalls, the Army has downsized the number of Active Duty soldiers authorized for Fort Riley from over 18,000 Active Duty soldiers to fewer than 16,000. Should the Budget Control Act of 2011 be fully implemented, it is possible for Fort Riley to experience more reductions in soldiers and also some civilian personnel. In addition, another round of Base Realignment and Closure (BRAC) continues to be a realistic possibility. The Governor's Military Council, in coordination with the communities near the Fort, is responsible for developing and implementing a plan to grow and protect as much as is practical the current manpower assigned to Fort Riley, both soldiers and civilians, and for identifying possible new missions should additional downsizing occur.

Roadblocks to Successful Resolution

The funding for the Governor's Military Council has continued to erode. Additional funding for the Council is needed to fully develop and implement a plan to grow and protect the manpower authorized for Fort Riley should the Army continue to downsize or should another round of BRAC become a reality.

Recommended Actions

A) City of Manhattan and Riley County: Support the Council's annual request for funding.

B) Kansas Legislature: Support the Council's budget request for a state appropriation of \$350,000 per year beginning in fiscal year, 2019 and a supplemental request for \$150,000 in fiscal year, 2018.

2. *Land Use*

As Manhattan and Riley County continue to experience growth, additional housing is being built and planned for. Often, the most desirable location for this additional housing is along ridge lines with spectacular views. Such locations can be significantly impacted by the noise generated by Fort Riley as it conducts the field training necessary to prepare soldiers for deployments.

Roadblocks to Successful Resolution

The planning and zoning for new housing developments is initiated many years before the start of actual construction. Often, the impact on Fort Riley is overlooked during the initial planning by the developer and the local unit of government.

Recommended Actions

A) City of Manhattan and Riley County: Ensure processes are in place which fully implement KSA 12-772-775, the intent of which is that requirements of both Fort Riley and the local unit of government are fully considered during each phase of additional housing development.

B) City of Manhattan and Riley County: Implement the final recommendations of the Joint Land Use Study update.

3. Education and Training for Military Personnel and Their Families

Unique needs exist in the education of military personnel and their families at K-12, special education, post-secondary, technical and community education levels.

Roadblocks to Successful Resolution

- Currently school districts receive only 35% of the Impact Aid provided by the federal government.
- Continued reduced funding for education at all levels.
- The Second Count Date for K-12 has been rescinded by the Kansas Legislature.

Recommended Actions

A) Kansas Legislature: Increase the amount of federal Impact Aid received by Kansas school districts that are eligible to receive such aid, as long as there is not a concomitant reduction in the Base State Aid Per Pupil provided by the state.

B) Kansas Legislature: Reinstate the Second Count Date for K-12, if the efforts to increase the amount of federal Impact Aid fail.

4. Military Spouse Employment Licensure and Certification

Although improvements have been made in recent years to allow military spouses to acquire temporary licenses and certifications that permit employment in some fields in Kansas, certification or licensure in many fields is still cost- and time-prohibitive to obtain.

During the period of temporary licensure, the military spouse generally must pursue permanent licensure requirements (such as college courses) and pay State of Kansas fees. By the time the requirements for permanent licensure are met, the military member is often due for transfer to a duty station in another state, nullifying the investment the spouse has made in fees and tuition.

In addition, temporary licensure is not available in all fields, including some fields in which significant employment shortages in Kansas exist.

Roadblocks to Successful Resolution

Kansas currently lacks the ability to adequately articulate and transfer professional courses that may be equivalent to those required of in-state practitioners; military spouses may be taking unnecessary courses as a result.

Recommended Actions

- A) Kansas Legislature: Exempt military spouses from paying licensing/certification fees if they have been licensed/certified in another state by an accredited licensing/certification organization.
- B) Kansas Legislature: Should a military spouse not meet the qualification under A) above, then establish efficient transfer and articulation systems to determine whether military spouses actually need to take courses to adequately fulfill professional standards in Kansas.
- C) Kansas Legislature: Ensure A) and B) above apply to all fields in Kansas which require licensure/certification.
- D.) Governor's Military Council: Work with Governor to advocate for the needs of professionally licensed or certified military spouses to ensure they can quickly and easily become employed in their fields in Kansas.

ECONOMIC DEVELOPMENT

Guiding Principles

1. Workforce readiness is critical for advancing economic development in the region. The Chamber supports initiatives that will aid in recruiting, developing and maintaining a quality workforce to meet employer needs within the region.
2. The Chamber believes that wages and benefits should be determined by the employee's skills and abilities, competitive practices, and the employer's ability to compete in a global marketplace. Compensation based on regulation rather than the free market reduces the ability of employers to stimulate improved performance through higher wages.
3. Housing is a key component in attracting and retaining industry and enhancing school enrollments. Utilizing existing state and federal housing programs is only part of the solution. The Chamber supports city efforts to work with local developers interested in providing affordable homes for the low- to middle-income sector, a sector underserved in the community.
4. As of 2017, the Chamber in conjunction with the City of Manhattan, Riley County and Pottawatomie County Economic Development are in the process of developing a community wide action plan to address challenges and capitalize on opportunities to create new jobs, retain and attract top talent, enhance quality of life, and create wealth for current and future residents of Greater Manhattan. Community and Economic Development:
 - a. is a complicated process, not an event.
 - b. is where public policy and free enterprise intersect.
5. Creates economic diversity that sustains each local economy throughout business cycles. Economic Development based on the Market Street, Inc definition requires the following four action principles be implemented:
 - a. Set the right goals: expand the scope and metrics to reflect a more foundational and holistic understanding of how to expand the economy and opportunity.
 - b. Grow from within: prioritize established and emerging firms and industries; invest in ecosystems of innovation, trade, talent, infrastructure, and governance to support globally competitive firms and enable small business to start and grow.
 - c. Boost trade: facilitate growth and trade with other markets in the U.S. and abroad to deepen regional industry specializations.

d. Invest in people and skills: incorporate skill development of workers as a priority to improve human capacity.

6. The Chamber supports the use of local Economic Development funds only for economic development projects that have passed the Economic Development Model developed jointly by the Chamber and City of Manhattan and adopted by the City in 2010. Furthermore, the Chamber has adopted the Market Street, Inc. definition of economic development – a deliberate, consistent and collaborative approach to strengthening a community by fostering the creation of quality jobs. The creation of quality jobs will help increase our population, add to the workforce, increase the tax base and elevate the standard of living and create personal wealth for our citizens.

7. State economic development depends on a balanced and competitive business environment. Efforts should be made at the state level to ensure that economic development incentive programs remain up-to-date with industry needs while engaging the local community to share in the cost of the investment. Economic development programs should also be free of administrative fees that create barriers for entry into the program. The Chamber supports the position that designated economic development funds are to be used for projects that create new jobs and/or retain existing primary sector jobs in the community while enhancing the local economy.

8. As a member of the Business for Federal Research Funding coalition, a group of 64 chambers of commerce advocating for research funding in the federal budget, the Chamber supports the coalition's common view that federal investments in research funding are key drivers of the economy and international competitiveness. The Chamber supports the view that federal research investments should continue even in challenging fiscal times at a steady rate above inflation. The group supports federal research across funding agencies including the National Institutes of Health, the National Science Foundation, NASA, and the Departments of Agriculture, Defense, Energy, and Homeland Security.

9. In leveraging economic development related to the National Bio and Agro-Defense Facility (NBAF), with estimated completion in 2020, the Chamber supports the development and implementation of strategies that will establish Manhattan, Kansas State University, the Flint Hills Region, and the State of Kansas as the destination for the world's food and animal health companies, top academic and private sector research talent, and others working to protect the nation's food supply.

Action Items

1. Workforce

Low unemployment in the Manhattan area makes it difficult for current businesses to find ready and trained workers to fill open positions. The lack of local workforce availability will also make it more challenging to attract new businesses to the area. In a

recent survey of business, public sector, and community leaders, approximately 77 percent of the survey respondents said they do not believe the Manhattan area has the workforce sufficient to accommodate future growth. Nearly all businesses within the area express frustration with local workforce availability and skills, and with their challenges in recruiting a new workforce to the region.

Roadblocks to Successful Resolution

- Difficulty in recruiting workers to the area because of the higher cost of living and perhaps a lack of awareness of amenities within the region.
- Lack of awareness of the types of jobs available in the area as well as a lack of awareness of available workers in areas outside of Manhattan.
- Funding and resources to determine current and future training needs and for developing training programs to develop a local workforce with the skills needed for jobs currently in and coming to Manhattan.

Recommended Actions

A) Kansas Congressional Delegation, Kansas Legislature, and local technical colleges: Secure new training dollars to develop a workforce to support jobs for NBAF and the biosciences, the construction industry, and the regional healthcare industry, along with other key business/industry sectors in Manhattan.

B) Kansas Legislature: Develop and fund jobs programs to attract unemployed or underemployed Kansans to available jobs in the Manhattan region.

C) Flint Hills Regional Council: Advocate for and fund a regional labor study.

2. *Distribution of Local ½ Cent Sales Tax for Economic Development*

Citizens of Manhattan and Riley County approved the renewal of the ½ cent sales tax intended to support economic development, road and infrastructure improvements, and debt reduction. Distribution of these dedicated sales tax dollars among the three areas was not clearly defined except that 35% of the funds are strictly tied to debt reduction. The remaining funds are designated for economic development and infrastructure projects that create jobs and enhance the local economy. The loose definition and designation of the 65% of the funds for economic development and infrastructure related to economic development allows for opportunities to use these funds for projects more appropriately funded through other City funding mechanisms. If this continues, economic development funds will not be available for projects that produce a return on investment in the community as voted on by the citizens.

Roadblocks to Successful Resolution

If the Manhattan City Commission has concern over flexibility in meeting basic community needs, there will be resistance in designating funding percentages for the remaining economic development funds (33% for economic development and 33% for infrastructure) and defining projects eligible for economic development funding (i.e., create jobs and enhance economic vitality for the community).

Recommended Actions

- A) City of Manhattan: Reserve 33% of the ½ cent sales tax funds for traditional economic development and reserve 33% for infrastructure related to economic development.
- B) Follow the Manhattan Economic Development Fund Process and Procedures adopted by the Manhattan City Commission April 6, 2010 as the primary criteria for use of Economic Development sales tax funds.
- C) Refrain from using Economic Development sales tax funds, or Transient Guest Tax funds, as an alternative to the General Fund. (e.g., funding for Manhattan Arts Center, Wolfe House, Downtown Manhattan Incorporated, Aggieville Business Association and similar requests should come from general funds and not economic development funds).
- D) Refrain from using sales tax funds for non-job creating activities at least until after the Community and Economic Development Strategy by Market Street Services, Inc. is completed by early 2018.
- E) Proceeds from the sale of the KSU-IC building from the City of Manhattan to Kansas State University are reserved exclusively for traditional economic development use to comply with the intent of the original source of funds, the ½ cent 2002-2012 Economic Development Sales Tax.

3. *Manhattan Conference Center* ***(Item also included in Convention and Visitors Bureau section)***

The Manhattan City Commission approved a one-year solution for the 2018 Conference Center payment that included the use of Economic Development infrastructure funds and Transient Guest Tax funds

Roadblocks to Success

Financial constraints on the city could cause city commissioners to reconsider using TGT and economic development funds for payments on the Conference Center.

Recommended Action

- A) Manhattan City Commission; Explore Conference Center expansion and identification of revenue streams to support the expansion.
- B) For 2019 and beyond, all Conference Center payments should come from the General Fund.

4. *Kansas Department of Commerce Incentive Application Fees*

The 2016 Kansas Legislature Enacted Senate Substitute for House Bill 2509, allowing the Secretary of the Kansas Department of Commerce to charge a non-refundable administrative fee of up to \$750 for processing and oversight of each state economic development program. These programs include, but are not limited to: Promoting Employment Across Kansas (PEAK), High Performance Incentive Program (HPIP), Job Creation Fund Program (JCF), Kansas Industrial Training (KIT), and Kansas Industrial Retraining (KIR). The Secretary has elected to charge the maximum of \$750 for PEAK, HPIP and JCF and \$500 for KIT and KIR. The charging of these application fees creates a barrier to economic development projects in Kansas and causes unnecessary hardship on local economic development agencies when they must pay the fees on behalf of project companies.

Roadblocks to Successful Resolution

With current state budget issues, agencies are hard-pressed for any opportunities to raise revenue.

Recommended Action

- A) Kansas Legislature and Kansas Department of Commerce: Repeal KSA 74-5060, which requires administrative fees to apply for state economic development programs.

5. Develop Infrastructure to Attract Industry Related to NBAF

The development of the North Campus Corridor area should be considered to be a priority asset to complement a regional strategy for attracting global food safety and animal health businesses to the area—businesses that will leverage and complement research conducted at NBAF and KSU.

Roadblocks to Successful Resolution

Possible issues center on availability of land around the North Campus Corridor, and the cost for preparing land and necessary infrastructure to support the North Campus Corridor. (More specific information will be available after approximately October 2017, following a North Campus Corridor meeting among community partners.)

Recommended Action

A) City of Manhattan, Riley County, and Kansas Legislature, with appropriate state agencies: Identify resources and develop plans to ensure infrastructure is in place for the North Campus Corridor to attract and support new businesses related to global food safety and animal health.

EDUCATION

Guiding Principles

1. Maintaining a high-quality public education system is vital to economic development, business recruitment, quality of life, and the economic future of Kansas. The city of Manhattan in particular is committed to, and reliant upon, quality educational opportunities for all students. The Chamber supports the state providing funding for a high-quality public education system, from pre-K to post-secondary levels, using a balance of tax sources. Those tax sources should not be skewed toward property taxes to the extent that a disproportionate burden is supported by non-exempt residential and business property. Annual funding adjustments from all tax sources for inflation, enrollment fluctuations, and additional mandates placed upon public schools should be a part of the finance plan. Further, the State should support, as a vital part of a vibrant Kansas economy, a public education system that uses collaboratively local and state resources to provide a quality of education viewed among the best in our country. The Kansas public education system should be equitable, and should adequately provide for each student to be contributing citizens in a changing and diversifying economy.
2. Higher education is of unique importance to Manhattan and the surrounding communities, which are home to several institutions of higher learning. The long-term vitality of these institutions is important for this area. These institutions help provide research and economic development opportunities, arts and entertainment options, athletics, and visitors to the area. In addition, providing employment opportunities for graduates of these institutions is also essential to the future workforce for local businesses.

Action Items

1. *K – 12 Funding*

Roadblocks to Successful Resolution

Current political climate.

Recommended Action

A) Governor and the Kansas Legislature: Work with all concerned parties to develop a new funding formula which is economically sustainable, politically sustainable and meets the standards set forth by the Kansas Supreme Court, in the October 2017 Gannon ruling. The formula must contain mechanisms that account for the increasing costs schools face, increasing enrollments, plus the increasing demands and expectations placed upon public education by our society.

Of particular importance is a Federal Impact Aid in the formula to help those districts serving military installations respond to the changing enrollments at those installations, as well as the expectations of the Pentagon.

2. Higher Education Funding

Roadblocks to Successful Resolution

Current political climate.

Recommended Action

A) Kansas Legislature: Fulfill the funding requests of the Kansas Board of Regents for state universities, community colleges, and technical colleges.

GOVERNMENT

Guiding Principles

1. Each year, by law, the President is required to submit a budget request to Congress. Once Congress adopts a budget resolution, various appropriations committees are charged with appropriating funds to authorized federal programs through a series of funding bills. If Congress does not complete its appropriations work by September 30, Congress must pass continuing resolutions (CR) to fund the federal government. Use of continuing resolutions prohibits federal agencies from initiating new starts or programs. Delay of final budget resolution leads to general uncertainty, delayed projects with accompanying increased costs, program collapse and expensive restart costs. Local impact includes uncertainty in the areas of grant funding for Kansas State University, agricultural support programs, DOD funding, and local/state project funding. The President of the United States and U.S. Congress should annually prepare and pass, with the President signing into law, appropriation bills that allow for continuation of the federal government in a fiscally responsible manner. This action must be completed by September 30 of each year, to ensure predictable long-term commitments.
2. The State of Kansas currently adjusts the federal decennial census, moving most students and military personnel to their original “home” district, even when they list their current place of residence as the town that they go to school in or the military installation where they are currently posted. This adjustment is required by Article 10 of the Kansas Constitution. Kansas is the only state of the union that changes the census in this fashion. The Kansas Legislature should pass a state constitutional amendment so that the federal census numbers are accepted as official, thereby saving the costs associated with the current adjustment and easing the pressure on future redistricting.
3. The City of Manhattan should refer to the City’s long range financial plan to avoid the surprises that have created uncertainty in past budget discussions. The plan should include Bond & Interest schedules, capital projects and normal budget issues including the Kansas Tax Lid limitations.

Action Items

1. *Redistricting in 2022*

In 2012, the Kansas Legislature failed to redistrict the political divisions in the state, which caused a significant disruption in people’s ability to fairly select their state governmental leaders. Manhattan was at the center of this controversy.

Another redistricting will occur in 2022. If the current trend of shifting population levels continues, an accurate and timely accounting by location will be critical.

Roadblocks to Successful Resolution

If population shifts within the state continue, Kansas may face significant congressional redistricting. If we lose a congressional seat, the pressure and difficulty to create a fair re-districting process will only increase. Appropriate and timely adjustments will be critical.

Recommended Actions

A) Kansas Legislature: Before the 2020 U.S. Census is complete, begin a study of redistricting, and take affirmative steps to ensure the situation that occurred in 2012 does not occur again. Consider that many other states are successfully using independent commissions to conduct their redistricting.

NATURAL RESOURCES

Guiding Principles

1. The Chamber supports the formal adoption of a Kansas energy policy that recognizes the impact of energy demand, supply issues, associated benefits, and costs on the economy of our state. The Chamber encourages the Governor and Kansas Legislature to create a comprehensive energy policy that recognizes energy, environmental, and economic impacts on business, and that promotes sustainable growth in the state.
2. The Chamber supports wind energy manufacturing, which represents significant economic opportunity for the state. The Chamber also endorses the development of Kansas' biomass resources, along with energy research at Kansas State University that capitalizes on agricultural resources in a sustainable and cost-effective manner. Further, the Chamber supports the implementation of sound policy that ensures all Fort Riley concerns are addressed prior to a formal siting decision about any regional wind turbine development.
3. The Chamber recognizes the economic importance of maintaining navigable waters on the Missouri River and the role of the United States Army Corps of Engineers in controlling water levels in federal reservoirs. Since the federal reservoirs in Kansas hold essential contracted water reserves, the Chamber supports efforts to prevent water release for navigation during times of limited water supply. The Chamber also supports continued monitoring of water policy at both the state and federal level, including dredging and water rights.

Action Items

1. The Clean Water Rule: Waters of the United States, or WOTUS

The Waters of the United States (WOTUS) rule became effective on August 28, 2015. The goal of the rule is to define which waterways the EPA and the Army Corps of Engineers can oversee under the Clean Water Act. The rule is problematic in several areas. The WOTUS rule disrupts the balance between federal and state powers. Under the original Clean Water Act, the EPA and Army Corps of Engineers were given the authority to regulate “navigable waters” and the state’s rights were preserved in the planning and development of land use and water resources. The WOTUS definition greatly expands what waters fall under federal control, including non-navigable waters and land areas that are only wet due to seasonal events. Further, it is prohibitively expensive for businesses to determine if their property contains jurisdictional wetlands. If a mistake is made, unreasonable penalty clauses exist. Finally, the federal agencies involved failed in their statutory obligation to assess the economic impact of the rule to business and industry. Repeal of the rule is currently supported by the

National Federation of Independent Business, United States Chamber, and other state chambers and business trade associations.

Roadblocks for Successful Resolution

Current political climate.

Recommended Actions

A) U.S. Congress: Repeal the Waters of the United States rule.

TAXATION

Guiding Principles

1. The Chamber strongly opposes any constitutional or statutory amendment restricting the principles of Home Rule, or any usurpation of long-standing local control.
2. Kansas has had a broad-based state and local tax structure since the 1930s. A diversified revenue portfolio that does not rely too heavily on a single source allows state and local governments to better withstand economic downturns. The Governor's Tax Equity Task Force in 1995 agreed with this principle, concluding as a major tax policy objective that the state and local tax system should be balanced and diversified. This will also result in lower rates on each separate form of tax, and reduce the pressure of competition from other states that have lower rates for a particular tax. The Chamber supports a fair and balanced revenue stream consisting of a three-legged tax base: income tax, sales tax and property tax.

Action Items

1. Public Referendum Requirement: Property Tax Limitations on Local Units of Government

In 2015, K.S.A. 2014 Supp. 79-2925b was amended to require an extra step in approving any appropriation or budget for only cities and counties on or after January 1, 2018. In the case of cities and counties, any resolution approved by the governing body to increase property tax to fund any appropriation or budget, in an amount exceeding that of the next preceding year as adjusted by inflation, shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the city or county voting at an election. The Chamber supports allowing all units of local government to be responsible for the mix of taxes in their own community as well as for funding of activities.

Roadblocks to Successful Resolution

Current political climate.

Recommended Actions

A) Kansas Legislature: Repeal K.S.A. 2014 Supp. 79-2925b.

2. ***Funding Sources: Balanced Revenue Stream***

We encourage the legislature to continue to find a fair and responsible mix of funding sources, with specific timely actions listed below.

Roadblocks to Successful Resolution

Current political climate.

Recommended Actions

A) Kansas Legislature: *(State Fuel Tax)* An important state revenue-sharing program involves gasoline tax revenues collected by the State of Kansas and distributed back to municipalities based upon population. The City of Manhattan relies heavily on these funds to pay for street and highway projects, as well as funding employees who assist with these projects. Maintain this funding at the current levels in order to continue street maintenance activities. ***(Item copied to Transportation section)***

B) Kansas Legislature: *(Local Fuel Tax)* The Chamber supports the authority of local government to impose a fuel tax and an electric/hybrid user fee to assist in funding local street, road, and highway improvements/construction. Grant local authority to implement these types of taxes. ***(Item copied to Transportation section)***

C) Kansas Legislature: *(Revenue Sharing)* Distribute the Local Ad Valorem Tax Reduction funding and other sources of revenue sharing.

D) U.S. Congress and Kansas Legislature: *(Internet Sales Tax)* Support federal and state legislation that holds all retailers—brick and mortar as well as Internet—to the same standards of sales tax collection. Redistribute these collections back to cities and counties.

E) Kansas Legislature: *(Property Tax)* Reduce dependence on property taxes for the financing of public education and other local units of government, because the tax burden falls disproportionately on the business community.

F) Monitor federal tax reform.

TRANSPORTATION

Guiding Principles

1. The Chamber supports and advocates for the preservation of long-term transportation programs and funding, at the federal, state, and local levels. This should include the support of legislation and policies that promote investing in the maintenance and rehabilitation of aging infrastructure and building new system capacity to support smart growth principles.
2. Transportation program funds should be at a level of funding sufficient to adequately serve and maintain the transportation system, used only for transportation projects and not appropriated or transferred for unrelated needs.
3. The Chamber recognizes that transportation is a key component for economic growth, and can increase the quality of life within a community. Therefore, the Chamber supports a transportation system that embraces all modes, including roadways, rail, air traffic, transit, bicycles, and pedestrians, in order to provide a well-integrated transportation system for all users.
4. The Chamber supports efforts to encourage regional cooperation and coordination to develop, promote, and fund transportation solutions at city, county, and regional levels. All federally funded, or regionally significant projects are required to be identified in the Flint Hills Transportation Plan. The Chamber will actively participate during the development of this document and support the policies and projects as identified in the Plan. The Chamber expects each MPO jurisdiction to pay its 20% local match to ensure the benefits of the MPO and future federal transportation allocations are fully realized by the region.
5. The Chamber supports the principle that as needs are identified and implemented regarding infrastructure projects, business owners in the surrounding area should be notified and invited to participate in the decision-making process as early as possible. The governing body in charge of the infrastructure project should consider multiple construction durations in order to evaluate the cost/benefit of a project to minimize disruption to those financially affected by the project.

Action Items

1. Preservation of Existing T-WORKS Program and Creation of New Programs

The State's current long-range transportation program, T-WORKS, has had over \$2 billion taken from its budget since it was introduced in 2010. The initial T-WORKS program was \$8 billion in total over a 10-year period; nearly 25% of funds dedicated to transportation safety, maintenance, and expansion projects have been lost. The program is vital for the State of Kansas and the Manhattan region because it helps create needed jobs, spurs economic development along transportation corridors, and ensures safe roads for our region.

Roadblocks to Successful Resolution

It is unknown how the State of Kansas will treat the Kansas Department of Transportation (KDOT) in regard to current and future funding. The Legislature has the ability to move funds as it sees fit and with the current budgetary issues at the state level, the KDOT budget has been frequently raided in order to cover other budgetary gaps.

Recommended Actions

A) City of Manhattan, Riley County, and other regional governmental units:

- Monitor funding of local projects associated with the T-WORKS program.
- Advocate for traditional funding levels, with no further reductions at the state level.

B) Kansas Legislature and Department of Transportation:

- Ensure the current projects that were already identified in the T-WORKS program are funded and followed through with.
- Ensure state-level grant programs for local government budgets are kept in place and not postponed or cut in funding.
- An important state revenue-sharing program involves gasoline tax revenues collected by the State of Kansas and distributed back to municipalities based upon population. The City of Manhattan relies heavily on these funds to pay for street and highway projects, as well as funding employees who assist with these projects. Maintain this funding at the current levels in order to continue street

maintenance activities. ***(Item copied to Taxation section)***

- The Chamber supports the authority of local government to impose a fuel tax and an electric/hybrid user fee to assist in funding local street, road, and highway improvements/construction. Grant local authority to implement these types of taxes. ***(Item copied to Taxation section)***

2. *K-99 Corridor Improvements from US-24/Wamego to I-70, and Industrial Commerce Route from Caterpillar to K-99*

When Caterpillar Work Tools decided to invest approximately \$40 million dollars into the local and state economy, the Kansas Department of Commerce (KDOC), Kansas Department of Transportation (KDOT), City of Wamego, and Pottawatomie County pledged to work towards transportation improvements along the K-99 Corridor from US-24 to I-70 and from Caterpillar's facility to K-99. The improvements made along this corridor would allow for more effective and efficient movement of oversized freight assembled at the Caterpillar facility. There has been significant investment by KDOT regarding the planning and design of improvements to K-99, but the project has been delayed for several years due to funding constraints. This project is vital to retain Caterpillar in the region and maintain the economic health of Pottawatomie County, the City of Wamego, and the City of Manhattan.

Roadblocks to Successful Resolution

Funding constraints have inhibited this project from moving forward. KDOT has cut funding to most of its current projects including the K-99 design. In addition, the State legislature imposed a tax lid effective on January 1, 2018, and will limit local units of government ability to fund certain portions of their annual operating budgets based on the national consumer price index for urban consumers (CPI-U). Although local operating budgets will be adversely affected, principal and interest on projects funded through the issuance of general obligation bonds will be exempt from this new tax lid.

Recommended Actions

City of Manhattan, City of Wamego, and Pottawatomie County:

- Maintain communication with all parties to assist in moving the Industrial Commerce Route and K-99 project improvements forward.
- Continue to remind the state (KDOT and legislators) of the importance of this corridor and advocate that KDOT make the K-99 corridor a priority.
- Meet with KDOT's Secretary of Transportation and senior staff twice per year to keep the K-99 project in the forefront for funding.
- Encourage the Kansas Legislature to repeal the local tax lid legislation (see Taxation section).

3. *Manhattan Regional Airport Improvements*

A 2012 economic impact study identified the airport as a significant economic engine for the region and the state. The airport supports employment for 489 workers, with an associated payroll of nearly \$13.4 million. Total economic output attributed to the airport in 2012 exceeded \$46.3 million. Several improvement projects have been completed at the airport, including a passenger terminal expansion and a new Fixed Base Operator's facility. Additional improvement projects are planned, such as non-aeronautical commercial development, runway reconstruction and improved passenger terminal parking.

The airport relies on the Federal Contract Tower Program and federal funding provided by the Federal Aviation Administration (FAA).

Roadblocks to Successful Resolution

If Congress fails to authorize a long-term airport program or elects to reduce funding levels to the Airport and Airway Trust Fund, this could have a significant impact on airport operations and future expansion projects.

Recommended Actions

A) Kansas Congressional Delegation: Support an Airport and Airway Trust Fund long-term re-authorization that fully funds the Airport Improvement Program (AIP) and alleviates the cap on the Passenger Facility Charge (PFC) collection amount without consequently reducing funding to small and non-hub airports to help the Manhattan Regional Airport fund the increasing costs of infrastructure improvements.

B) Kansas Congressional Delegation and local governmental units: Collaborate with Fort Riley and the DOD to encourage them to be partners in supporting the Manhattan Regional Airport and in seeking additional funding.

C) Kansas Congressional Delegation: Support fully funding the Federal Contract Tower Program and oppose the effort to privatize the national air traffic control system.

D) City of Manhattan: Finalize planning of passenger terminal parking solutions and identify revenue sources to support improvements.