



LEGISLATIVE AGENDA

FOR ECONOMIC GROWTH

SAVINGS | PROTECTION | INVOLVEMENT | INFORMATION

Achieve More

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 which 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 and health care issues. Likewise, the feedback from meetings with Cornerstone members and local chambers and the results of our CEO Poll and Annual Competitiveness Index were used to frame the state's key business issues on this agenda. Through this process business leaders from across the state have told us their concerns and we are confident that the 2011 Legislative Agenda for Economic Growth reflects the need to **reduce the cost of doing business** in Kansas so we can **keep jobs** and **grow our economy.**

In lieu of the state's budget deficit and the impact of the national recession on our local economy and business climate, our members have a heightened interest in **promoting government efficiency.** 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 revoked tax exemptions.

These are challenging times in Kansas for our government and for businesses. But together, we can **achieve more** to revitalize businesses and stabilize our economy and **return prosperity to our state.**



“The Kansas Chamber has a strong legislative agenda developed with direct input from businesses across the state and supported by sound data. The Kansas Chamber listens to Kansas employers and takes their message to the Statehouse to develop strong policies for businesses in our state.”

Dave Murfin, *President, Murfin Drilling Company, Inc.*

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Kansas Business at a Glance

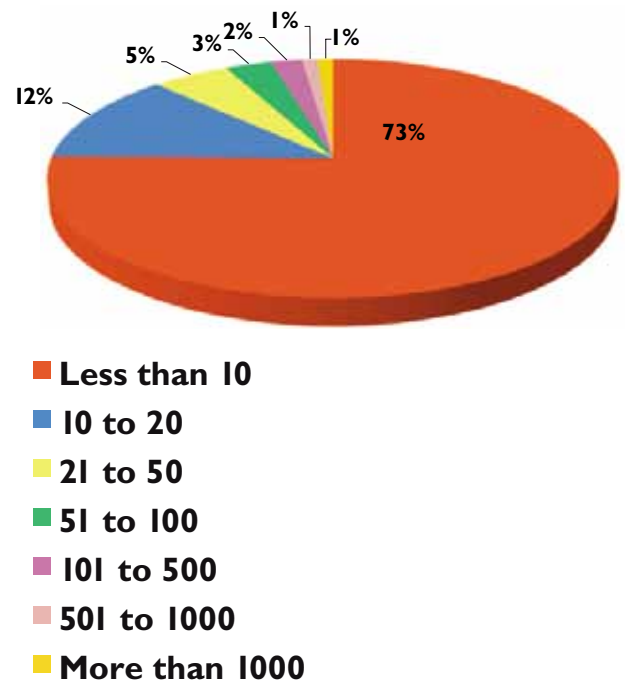
The Kansas Chamber commissions Cole Hargrave Snodgrass & Associates to poll 300 member and non-member businesses that are reflective of Kansas businesses geographically and with regard to number of employees. The issues identified by the business community in the CEO poll lay the foundation for the 2011 Legislative Agenda.

Most Important to Profitability:

MENTIONED:	2010	2009
Workers' compensation	13%	19%
Unemployment compensation	7%	3%
Managing health care costs	38%	32%
Lower taxes on business	49%	43%
Decrease regulation/mandates	22%	18%
Stop frivolous lawsuits/tort reform	16%	13%
Limit growth of state government	14%	17%
Economic incentives for business	20%	18%
Reduce fuel and energy costs	21%	20%

(Each survey participant was allowed up to two responses)

Number of Business Employees

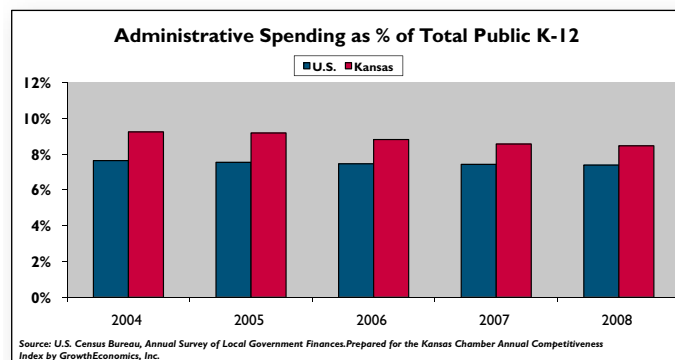


Government Efficiency

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 state government
- Set aside **budget stabilization** or “rainy day” funds for economic downturns
- Establish a “BRAC-like” process for closure or **realignment of government** functions and agencies
- Explore **public/private partnerships** that maintain needed services and lower the cost of doing business in Kansas
- Establish a framework to **encourage and incent the consolidation** of local units of government and school districts
- **Oppose use of public funds to bring litigation** in pursuit of more public funding



What's it mean?

There remain opportunities for improvement in K-12 efficiency - certainly at the administrative level. Administrative spending as a percent of total K-12 spending persistently exceeds the U.S. average.



“Now more than ever, the work of the Kansas Chamber is critical to our state’s businesses, workers and families. The Kansas Chamber has a proven track record of addressing the issues which impact the cost of doing business and our state’s ability to compete for jobs and keep them in Kansas.”

Mike Maddox, *President & CEO, CrossFirst Bank*

Taxation*

reduce taxes, encourage investment and growth

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

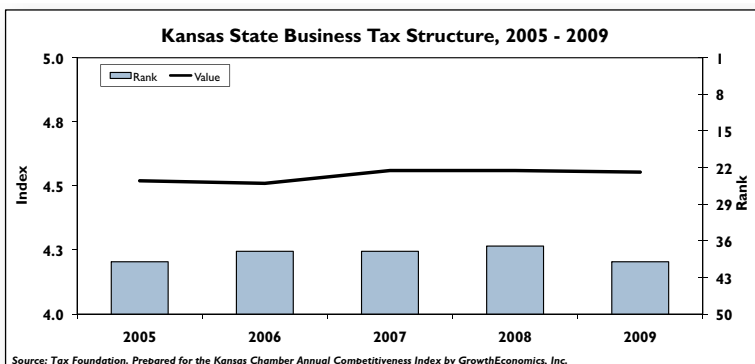
- **Reduce government spending** instead of increasing the cost of doing business through tax increases
- **Restructure tax policy** regarding corporate and individual income taxes to **reduce the volatility** in revenues and **encourage investment** in Kansas
- Oppose the sunset or repeal of **existing sales tax exemptions** on business inputs and professional services
- **Modify tax incentives** to include more flexible investment and job development tax credits with options for cash incentives
- **Allow expensing of capital investments** by giving businesses the option to “expense” or immediately deduct the full cost of capital investment and research and development investments made in the state
- **Reimburse retailers** a percentage of the cost to comply with collecting and remitting sales taxes to the state
- **Support extension of Bush’s tax cuts**

* Both a federal and state issue



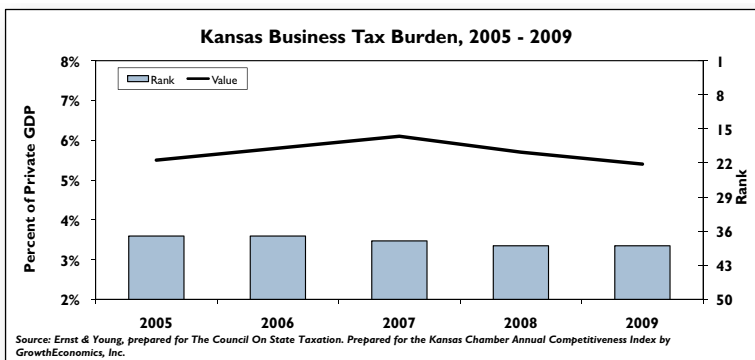
Congressman
Tim Huelskamp (KS-1)

“American businesses are overtaxed and Kansas companies pay some of the highest corporate income taxes in the world, increasing the costs of our goods and services, as well as the strain on Kansas families. The Kansas Chamber is the voice for change to make our state the best in America to do business.”



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 has held steady over the past five years, indicating little change in tax structure. Overall the state does not rank well.



What's it mean?

Business Tax Burden accounts for all business tax costs as percent of private state GDP. Kansas has experienced a decline in the business tax burden since 2007. However, as other states have followed suit, this trend was not enough to improve its competitive position, currently ranking it 39th.

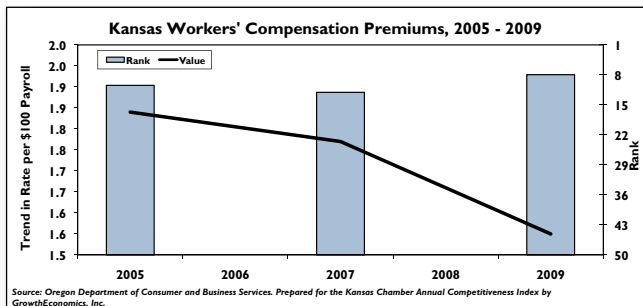
Human Resource Issues*

reduce costs to promote growth

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

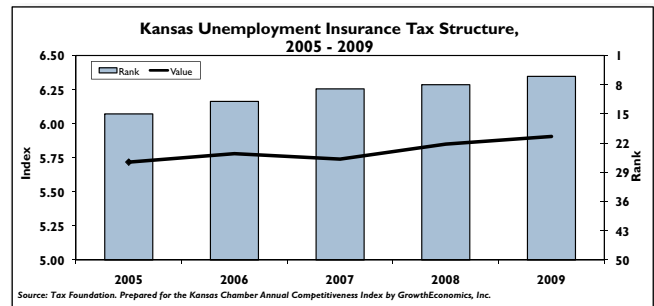
- **Defend and strengthen the workers' compensation system** with policies that fairly compensate workers legitimately injured while performing duties for their jobs
- **Protect the Employment Security Trust Fund** by balancing fund contributions and expenditures and maintaining the integrity of the employer rating system to determine 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
- **Maintain the Fair Labor Standards Act (FLSA)** by opposing unfair advantages for union organization, including "union card check" legislation
- Support policies that ensure a well-qualified workforce meets the needs of Kansas employers without additional costs to taxpayers

* Both a federal and state issue



What's it mean?

Workers' compensation rates paid per \$100 of payroll in Kansas have continued to fall over the last five years. Though already in the top 10, with other states following suit, Kansas has not been able to improve its competitive position much further, with a current rank of 8 in 2009 from rank 9 in 2005.



What's it mean?

The Tax Foundation in its annual State Unemployment Insurance Tax Index scores states higher that have fewer distortions, a simpler tax structure, a broader base and lower rates, with a maximum score of 10 for the top performance. Kansas has seen a slight increase in the index over the years with a continuous improvement in its competitive position from rank 15 to 7 in 2009.



"While business leaders are striving to keep their doors open and employees on the payroll, the Kansas Chamber is working with lawmakers to craft pro-business policies. Our ability to keep jobs in Kansas directly depends on the advocacy of the Kansas Chamber on the issues that impact business's bottom line."

Jack Pelton, CEO, Cessna Aircraft Company

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
- Support employer efforts to modify delivery systems in conjunction with any finance modifications
- Defend the rights of employers to choose the plans they offer
- Support provision allowing the state of Kansas the ability to opt out of the recently passed federal health care legislation
- Support state-level implementation of policy measures that improve efficiency and effectiveness of health systems
- Support equal access for employers to purchase insurance through 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
- Expand tax incentives available for employers and individuals choosing to purchase policies or health savings plans

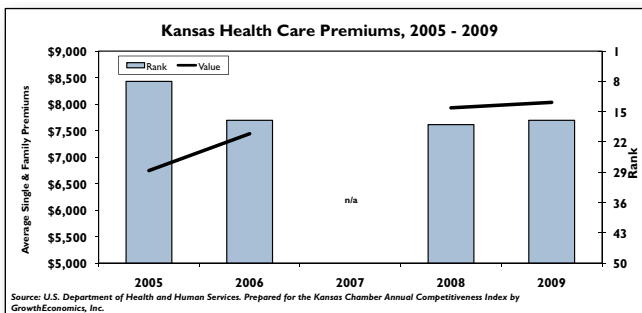
* Both a federal and state issue



Shirley Martin Smith
Owner, Adecco Staffing

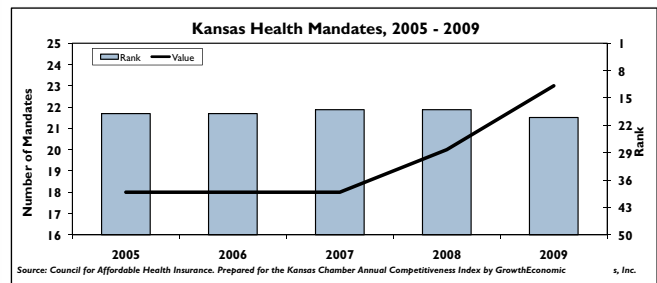
“As a small business owner focused on the daily operations of my business, I count on the results of the Kansas Chamber’s advocacy.

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.”



What’s it mean?

While average single and family health care premiums have risen in Kansas like everywhere else, the rate of increase slowed between 2005-06 and 2008-09. Kansas maintains a quite competitive ranking in the high teens.



What’s it mean?

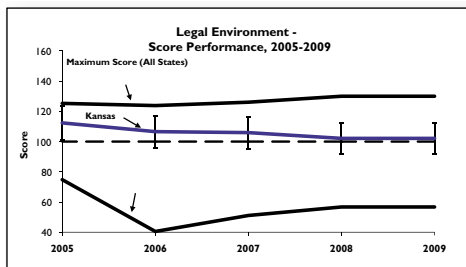
Health mandates are one component of the Regulatory Environment Sub-Index. Increasing mandates since 2007 have dampened the state’s ranking, which remains above midpoint.

Legal Reform

promote fairness, reduce liability

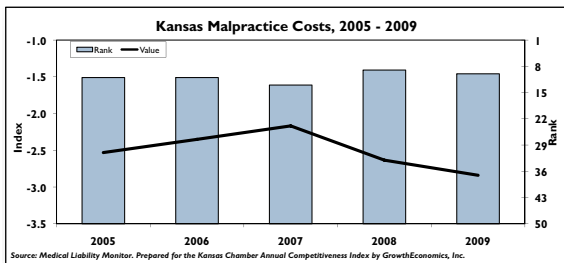
The Kansas Chamber supports efforts to improve the legal climate in Kansas by reducing incentives for litigation that disproportionately awards plaintiffs and will support legislative efforts to:

- Support the current cap for settlements awarded for non-economic damages
- Modify or completely repeal the collateral source rule
- Reform state standards for admissible expert evidence to mirror federal rule in order to reduce the impact of junk science on court judgments
- Repeal the full consideration remedy currently permitted under the Restraint of Trade Act and reduce incentives to bring frivolous lawsuits against Kansas businesses



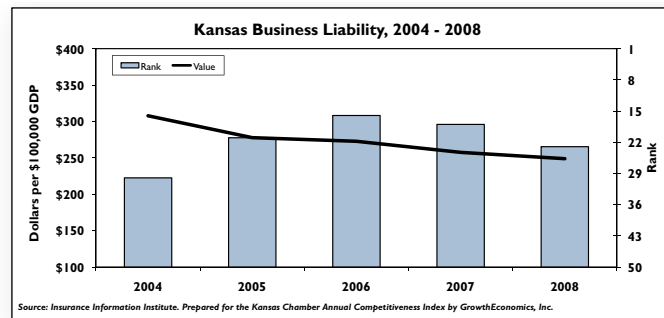
What's it mean?

Legal climate incorporates scores from three sources: average business liability insurance, the State Liability Systems Ranking Study and the U.S. Tort Liability Index. Combined, Kansas shows above-midpoint performance but with gradual slippage over the past five years. Whereas this was a selling point in state business-attraction efforts, it is less so today.



What's it mean?

Medical malpractice costs are another measure of the regulatory environment. Kansas has maintained a position in the top 15 states for several years.



What's it mean?

One metric of particular importance under legal climate is average business liability coverage. This cost has been decreasing for Kansas for five years. However, because other states have also been aggressive on this front, Kansas' ranking has declined somewhat. The state is now close to midpoint.



“As businesses across the state press through these challenging economic times, the Kansas Chamber is leading efforts to stimulate investments, keep jobs in Kansas and grow business opportunities to return stability to our state’s economy.”

Jay Allbaugh, *Vice President, Cox Communications*

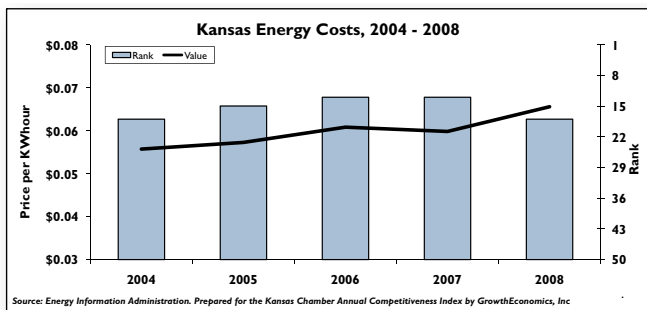
Energy, Environment and Regulatory Affairs*

balance policies that promote market-driven solutions to higher energy costs

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

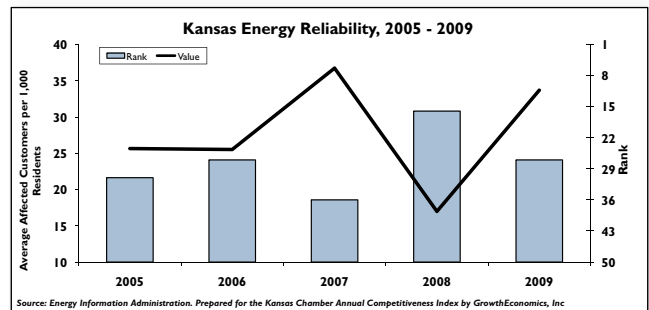
- Avoid picking winners and losers among energy sources and technologies
- Support incentives for businesses to utilize energy more efficiently versus penalties and/or mandates
- Oppose mandates and policies that increase business costs when sourcing energy
- Support incentives that promote voluntary efficient energy use
- Promote the development of market-driven energy technologies
- Support efforts to 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

* Both a federal and state issue



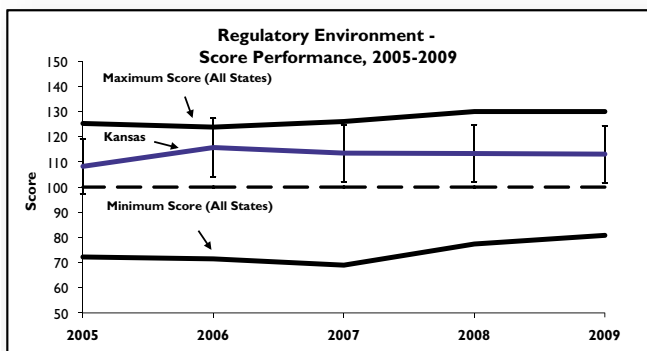
What's it mean?

Kansas has a reputation for reasonable energy costs. This shows as rankings above midpoint over the last five years. However, a sharp increase in 2008 did dampen previously improving rankings from 2004 to 2007.



What's it mean?

Energy reliability is critical for business given today's dependence on information technologies and 24/7 broadband. The state's "average customers affected" has varied considerably. Except for 2008, the state has ranked below midpoint.



What's it mean?

Formulating a reliable regulatory climate index is hampered by lack of 50-state data on such matters as compliance costs and costs of delay. This sub-index is still in its developmental phase, but early indications are that Kansas scores well above midpoint.

Becoming a Pro-Jobs Legislator

Being recognized by the Kansas Chamber as a pro-jobs legislator signifies support for policies with a **statewide impact on the cost of doing business** in Kansas.

The mission of the Kansas Chamber is to make Kansas the best state in the nation to do business. Pro-jobs legislators **support the efforts of the Kansas Chamber** more than 80 percent of the time with key votes on core business issues such as: seeking government efficiencies; the omnibus and mega-appropriations bills; tax policy; workers' compensation reform; health care reform; energy, environment and regulatory affairs; tort reform; business development; and campaign finance.

Additionally, pro-jobs legislators **consistently work to strengthen our state's economy** by **promoting sound business policy** in their committees, through their communications, and by their efforts both in Topeka and in their home communities.

Promoting a strong business climate and **preventing additional costs for employers** will **grow jobs in Kansas** and **speed our state's economic recovery**.

Together we are making Kansas the best state in America to do business.



“Having run two successful companies, I understand the importance of fiscal responsibility and what it takes to create jobs. The Kansas Chamber stands up for the rights of entrepreneurs so business can build jobs right here in Kansas.”
Congressman Mike Pompeo (KS-4)

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“The Kansas Chamber understands that businesses are the engines that drive the American economy. Their work to partner with policymakers and keep government from hindering economic growth by adding cumbersome layers of bureaucracy, taxes and regulatory burdens is critical to Kansas’ ability to compete in the global marketplace.”
Congressman Kevin Yoder (KS-3)



The premier business organization in Kansas, working at the Statehouse to reduce costs for all businesses.

