2020
LEGISLATIVE
AGENDA

Safeguarding Our System of Free, Competitive Enterprise
Kansas state lawmakers return to Topeka in January for the 2020 legislative session. There will be many tough policy debates on issues crucial to the Kansas business community. And with all 165 state lawmakers up for reelection in 2020 as well as an open U.S. Senate seat, you can bet there will be no shortage of political headlines during the 90 day session.

That is why every legislative session the Kansas Chamber and its members prepare a legislative agenda, focused on the issues most important to the Kansas business community. Input for the agenda is gathered through a variety of channels: issue-specific work groups, research from Chamber staff, from in-person meetings across the state throughout the year, and through data collected from our annual Business Leaders Poll and Annual Competitiveness Index report from economists with GrowthEconomics, Inc.

Our business agenda strives to protect and advance the mission of the Kansas Chamber to improve the economic climate for the benefit of every Kansas business and citizen and to safeguard our system of free, competitive enterprise.

The 2020 agenda also reflects the goals of the Chamber’s Vision 2025. This long-term strategic plan has four key areas of focus which research shows are essential to improve the historical slow growth of the state:

▶ Grow Talent Supply
▶ Expand Innovation & Entrepreneurship
▶ Advance Competitiveness
▶ Improve Business Infrastructure

As the first major undertaking of Vision 2025, the Chamber partnered with the Tax Foundation to research ways to modernize Kansas’ tax code. This comprehensive analysis of our state’s tax policy makes more than 20 recommendations to improve structural flaws in corporate and personal income tax, sales tax, and property tax. Along with ideas to broaden the tax base and use revenues generated to lower tax rates, making necessary improvements to the Kansas tax code will provide a framework for pro-growth reform. You can learn more about the Chamber’s strategic plan at www.KSVision2025.com.

The Kansas Chamber and its members believe as more Kansas businesses prosper, so do their employees and our communities. 2020 brings excitement and opportunity for our wonderful state to accomplish great things, together, for a better Kansas.

We look forward to working with the Kansas Legislature and Governor Laura Kelly and her administration in the coming session.

Alan Cobb
President & CEO, Kansas Chamber
The Kansas Chamber commissions Cole Hargrave Snodgrass & Associates annually to poll 300 member and non-member businesses that reflect the Kansas business community geographically as well as by industry makeup and size of the employer. The issues identified by our state’s business community in the Business Leaders Poll help lay the foundation for the 2020 Legislative Agenda.

**Most Important Issues Facing Kansas Businesses***

- Lower taxes on business: 54%
- Manage health care costs: 36%
- Decrease regulations/mandates: 22%
- Limit growth of government: 17%
- Economic Incentives: 15%
- Reduce fuel/energy costs: 14%
- Stop frivolous lawsuits/tort reform: 9%
- Workers’ compensation: 9%
- Unemployment compensation: 6%

*Source: The Kansas Chamber’s 2020 Business Leaders Poll

**Number of Employees in Businesses Polled***

- Less than 10: 1%
- 10-20: 2%
- 21-50: 9%
- 51-100: 7%
- 101-500: 22%
- 501+: 30%

**Other Poll Notes from Kansas Business Leaders***

- 79% believe to balance the state budget Kansas should cut spending rather than increase taxes
- 70% want more K-12 funding going into classrooms
- 67% believe it would help the Kansas economy if state taxes were lowered
- 61% believe the Kansas Supreme Court overstep its authority in its rulings involving K-12 school funding
- 58% do not believe Kansas has the best business climate when compared to other states
- 58% believe it is more important to improve school performance than to increase funding for schools
- 58% find job applicants don’t have soft skills while 28% say applicants lack the needed tech skills
TAXATION* [x]
REDUCE TAXES, ENCOURAGE INVESTMENT AND GROWTH

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

- Make permanent the ability of businesses to expense capital investments.
- Support legislation regarding collection of sales taxes to correct the imbalance between in-state and out-of-state retailers and using additional revenue to lower tax rates.
- Reduce government spending instead of increasing the cost of doing business through tax increases.
- Support legislation which grants corporate taxpayers the choice between the current three-factor apportionment formula and a new, single-factor sales-based formula.
- Oppose efforts which would subject professional services to sales tax.
- 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.
- Support strengthening public vote requirement when local government property tax revenue exceeds the rate of inflation.
- Support legislation which moves Kansas from a destination-based state to an origin-based state for the purposes of collecting sales tax on intrastate transactions.
- Reimburse retailers a percentage of the cost to comply with collecting and remitting sales and excise taxes to the state.
- 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 support completion of the projects encompassed in the Comprehensive Highway Plan.

* Both a federal and state issue

What does it mean?
This measure is the Corporate Tax Index taken from the Tax Foundation. It strives to measure fairness and balance across all businesses, but especially C Corporations. It favors tax systems that are simple and have low tax rates across a broad base. The Kansas score showed improvement in 2010 and 2011. Phased-in legislative changes in Kansas Corporate Tax in 2012 and 2013 led to this measure being reduced by 35, close to the 10-year average.

What does it mean? [x]
Opportunities for improvement in K-12 efficiency remain -- administrative spending as a percent of total K-12 spending persistently exceeds the U.S. average by approximately 10%. Between 2010 and 2013, there were signs of notable improvement, followed by several years of little change, and now further improvement in 2017. Today’s gap in the chart above is observably below that of 10 years earlier.

EDUCATION & WORKFORCE DEVELOPMENT
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 constitutional amendment for the democratically elected legislature to have exclusive authority to determine funding for schools in an effort to eliminate endless litigation over school funding.
- 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.
- Strengthen requirements to enhance in-classroom spending and eliminate inefficient spending.
- 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.
- Strengthen requirements to enhance teaching and innovation.
- Support the best and brightest teachers for the benefit of our Kansas students through what does it mean? [x]

What does it mean?
Administrative Per Pupil Spending as % of Total Public K-12 Spending

Source: U.S. Census Bureau, Public Education Finances.
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 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 because of lightning, fire, tornado or hail.
- Support reinstating caps on non-economic damages.
- Support statutory preemption of local units of government from hiring outside counsel to initiate class action litigation unless approved by the Attorney General.
- Support legislation which requires disclosure of third-party financing of litigation.
- Support legislation regarding admissibility of evidence of seat belt use.

**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 legislation implementing safeguards to protect consumers against misleading lawsuit advertising.
- 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 amendments to the Code of Civil Procedure to enable assessment of attorney fees against the losing party in a lawsuit under appropriate circumstances.

**HUMAN RESOURCE ISSUES**

**REDUCE COSTS TO PROMOTE GROWTH**

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

- Support criminal justice reform efforts and re-entry programs that offer the opportunity for individuals with criminal records to re-enter the workforce.
- Support policies which maintain the integrity of the Employment Security Trust Fund, and accurately reflect the employer experience rating when determining contribution rates.
- Support 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.
- Oppose state-led efforts which put employers in conflict with federal discrimination laws.
- 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. In the event Congress again fails to address the immigration situation, support legislation allowing states to implement guest worker programs that address each state’s particular workforce needs while protecting our borders from the criminal element.
- Maintain fair labor practices by opposing unfair advantages for union organizations.

---

*Every business in Kansas benefits from the work of the Kansas Chamber — especially during the legislative session. The Chamber helps lawmakers understand the impact the decisions they make have on Kansas businesses. We are members of the Kansas Chamber because they constantly work to make a difference so our business thrives here in Kansas.*

Chuck Grier, Chairman & CEO, UCI Industrial Construction Services

Sunee Mickle, Vice President, Government and Community Relations, Blue Cross and Blue Shield of Kansas

---

*The Kansas Chamber has our back when it comes to working day in, day out, at the statehouse, diligently trying to enhance the business climate in the state of Kansas and to make Kansas the best place to do business. That not only works to the benefit of Blue Cross and Blue Shield of Kansas, but it works to the benefit of every company that does business in Kansas.*

Sunee Mickle, Vice President, Government and Community Relations, Blue Cross and Blue Shield of Kansas
INNOVATION & ENTREPRENEURSHIP
PROMOTE AND ENCOURAGE ENTREPRENEURSHIP AND CAPITAL INVESTMENT

The Kansas Chamber supports innovation and investment in start-up companies through policies that:

- Ensure financial barriers for business filings and start-up-related expenses are limited.
- Promote and expand small business development loans for Kansas start-ups through private institutions rather than the State
- Minimize or eliminate barriers for transition of business ownership.
- Support continuation and expansion of Angel Investor Tax Credit program.

What does it mean?
While nearly 2/3 of Kansas business leaders believe the state is a good place to start a business, there is a slight drop compared to leaders polled in 2018. This is an indication that the optimism found in this survey question has to do with a national outlook as opposed to just a state one.

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.
- Encourage the least restrictive method of regulation for occupational licensing that support the goal of protecting the public without limiting competition.
- Prevent imposition of burdensome state and federal regulations on business and industry.

- Both a federal and state issue

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.
- Support continued implementation of priority- or performance-based budgeting throughout all levels of state government.
- Support requirement of Governor to submit existing resources budget to the legislature before proposing tax increases.
- Support targeted cost-saving measures identified in the 2016 Alvarez & Marsal efficiency study which do not negatively impact the business community.
- 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 realignment of state and local units of government.
- Support efforts to continue identifying strategies to reduce the State pension burden on Kansas taxpayers while maintaining actuarily sound funding levels.
- Oppose use of public funds to bring litigation in pursuit of more public funding.

What does it mean?
Consistently, Kansas business leaders want the governor and Kansas Legislature to cut state government spending instead of raising taxes.

How Much Should Be Cut? 2014 – 2019

- Raises Taxes / Never Cut
- Cut Up to 5%
- Cut 6-10%
- Cut More than 10%
- Never Raise Taxes

Source: The Kansas Chamber’s 2019 Business Leaders Poll
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 expansion of Medicaid eligibility.
- Oppose government competition with health insurers.
- 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 health insurance plans they offer.
- Support state-level implementation of policy measures which improve efficiency and effectiveness of health systems, including the continuation of delivering Medicaid services through a managed care model (KanCare).
- Oppose 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.

* Both a federal and state issue

ENERGY & ENVIRONMENT*  
PROMOTE MARKET-DRIVEN SOLUTIONS TO REDUCE 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:

- Support efforts to limit or block state and federal regulations which overreach and impose undue expense and regulatory burdens on Kansas businesses and industries.
- Support review and reform of current rate-making policies and processes to ensure fairness and equity among ratepayer classes.
- Promote the development of market-driven energy 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.

* Both a federal and state issue

What does it mean?
Although of less importance than labor, health insurance, and taxes, energy costs are nonetheless a core concern of employers especially for manufacturing industries and are highly variable across states. Electric energy costs and reliability are a major concern for the information services industries. Kansas experienced a steady increase in industrial and commercial electricity prices between 2008 and 2014 resulting in a drop in its ranking from 14th to 35th. However, Kansas prices and its rank have stabilized over the past four years, while still rising somewhat. In 2018 the state fell to its lowest rank in a decade.

Source: Energy Information Administration. Prepared for the Kansas Chamber Annual Competitiveness Index by GrowthEconomics, Inc.
KANSAS RETAIL COUNCIL

The Kansas Retail Council (KRC) focuses on retail business issues that impact small and large retailers in Kansas. The mission of KRC is to provide knowledge, resources and support to Kansas retailers so they can prosper. Through the Kansas Chamber, the KRC gives Kansas retailers a strong, unified voice on legislative and public policy matters.

TAX
- Support legislation regarding collection of sales taxes to correct the imbalance between in-state and out-of-state retailers and using additional revenue to lower tax rates.
- Protect against changes to long-standing valuation methodology which attempts to take income into consideration when valuing property.
- Oppose efforts which seek to impose a tax on sugary beverages.
- Support lowering of state sales tax.

EMPLOYMENT LAW
- Protect against repeal of Kansas law which prevents local units of government from imposing harmful mandates not required by state or federal law including:
  - Fair scheduling
  - Minimum wage
  - Paid leave

PRODUCTS
- Oppose bans on plastics, straws, chemicals and other items.
- Oppose food labeling mandates.
- Support ability for all stores to sell full strength beer, wine and spirits.

EDUCATION & WORKFORCE DEVELOPMENT
- 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 to provide a career suited to each student’s interest and ability.
### 2020 Kansas Chamber Board of Directors

**Executive Committee Members**

<table>
<thead>
<tr>
<th>Name</th>
<th>Company/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan Cobb</td>
<td>Kansas Chamber</td>
</tr>
<tr>
<td>Ivan Crossland</td>
<td>Crossland Construction</td>
</tr>
<tr>
<td>Doug Gaumer</td>
<td>CrossFirst Bank</td>
</tr>
<tr>
<td>Chuck Grier</td>
<td></td>
</tr>
<tr>
<td>Justin Hill</td>
<td>Lawrence Paper Company</td>
</tr>
<tr>
<td>Coleen Jennison</td>
<td>Cox</td>
</tr>
<tr>
<td>Kurt Knutson</td>
<td>Freedom Bank</td>
</tr>
<tr>
<td>Mike Maddox</td>
<td>CrossFirst Bank</td>
</tr>
<tr>
<td>Shirley Martin-Smith</td>
<td>Adecco</td>
</tr>
<tr>
<td>Karma Mason</td>
<td>ISU Environmental</td>
</tr>
<tr>
<td>Korb Maxwell</td>
<td>Polsinelli</td>
</tr>
<tr>
<td>Mike Morgan</td>
<td>Koch Industries, Inc.</td>
</tr>
<tr>
<td>Dave Murfin</td>
<td>Murfin Drilling Company</td>
</tr>
<tr>
<td>Bill Pickert</td>
<td>BKD CPAs &amp; Advisors</td>
</tr>
<tr>
<td>Trent Sebits</td>
<td>Pickrell Drilling Co.</td>
</tr>
<tr>
<td>HJ Swender</td>
<td>Palmer Manufacturing &amp; Tank, Inc.</td>
</tr>
</tbody>
</table>

**Directors**

<table>
<thead>
<tr>
<th>Name</th>
<th>Company/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terry Bassham</td>
<td>Evergy</td>
</tr>
<tr>
<td>Chuck Cadena</td>
<td>Spirit AeroSystems, Inc.</td>
</tr>
<tr>
<td>Dale Davis</td>
<td>Sauder Custom Fab, Inc.</td>
</tr>
<tr>
<td>Jeff Davis</td>
<td>BNSF</td>
</tr>
<tr>
<td>Tara Dimick</td>
<td>Envista Credit Union</td>
</tr>
<tr>
<td>Dusty Douglas</td>
<td>The Goodyear Tire &amp; Rubber Company</td>
</tr>
<tr>
<td>Mike Estes</td>
<td>BTI (Estes John Dooe)</td>
</tr>
<tr>
<td>Patrick Fucik</td>
<td>Sprint</td>
</tr>
<tr>
<td>Darin Greseth</td>
<td>EG Products</td>
</tr>
<tr>
<td>John Goyot</td>
<td>Security Benefit</td>
</tr>
<tr>
<td>Jim Halloran</td>
<td>Caterpillar</td>
</tr>
<tr>
<td>Jason Hammers</td>
<td>J-Six Enterprises</td>
</tr>
<tr>
<td>John Idoux</td>
<td>CenturyLink</td>
</tr>
<tr>
<td>Molly Kocour Boyle</td>
<td>X&amp;K</td>
</tr>
<tr>
<td>Paula Landoll-Smith</td>
<td>Landoll Corporation</td>
</tr>
<tr>
<td>Bret Leopold</td>
<td>ITE Great Plains</td>
</tr>
<tr>
<td>Matt Lowen</td>
<td>Lowen Corporation</td>
</tr>
<tr>
<td>Sunee Mickel</td>
<td>Blue Cross &amp; Blue Shield of Kansas</td>
</tr>
<tr>
<td>John Lowry</td>
<td>Sunflower Electric Corp</td>
</tr>
<tr>
<td>Michael Margherio</td>
<td>UnitedHealthcare</td>
</tr>
<tr>
<td>Jeff Melcher</td>
<td>NalStandard'</td>
</tr>
<tr>
<td>Stan Ricketts</td>
<td>INTRUST Bank</td>
</tr>
<tr>
<td>Christopher Miller</td>
<td>Gammon Miller, LLC</td>
</tr>
<tr>
<td>Clint Robinson</td>
<td>Black &amp; Veatch</td>
</tr>
<tr>
<td>Jonathan Mize</td>
<td>Blish-Mize</td>
</tr>
<tr>
<td>Jack Paradise</td>
<td>JAYhawk Plastics, Inc.</td>
</tr>
<tr>
<td>Maggie Topping</td>
<td>Textron Aviation</td>
</tr>
<tr>
<td>Mick Urban</td>
<td>Kansas Gas Service</td>
</tr>
<tr>
<td>Jerry Watkins</td>
<td>Black Hills Energy</td>
</tr>
<tr>
<td>Bill Webster</td>
<td>Bartlett and Company</td>
</tr>
<tr>
<td>Damon Young</td>
<td>Mahaney Group</td>
</tr>
</tbody>
</table>

**Affiliate Organizations**

- Kansas Chamber Political Action Committee
- Kansas Chamber Education Foundation
- Kansas Manufacturing Council
- Leadership Kansas
- State Affiliate of Ntl. Assoc. of Manufacturers (NAM)
- State Affiliate of U.S. Chamber of Commerce