

2019 Legislative Policies

Federal Legislative Policies

Federal Aviation Administration Appropriations – Full funding

The effectiveness of the recently enacted, multi-year FAA reauthorization bill is contingent on full appropriations of the FAA's authorized programs. Programs and functions such as the Airport Improvement Program, the Federal Contract Tower Program, airway facilities maintenance, aircraft certification and safety enforcement impact the Salina Regional Airport, the K-State College of Technology and Aviation, United/SkyWest Airlines and aviation businesses based at the Salina Airport. Full FFY 2020 funding for FAA programs is critical for the continued operation, growth and development of the Salina Regional Airport and associated businesses and organizations.

Federal Contract Tower Program – Full Funding

Within the FAA Reauthorization bill are provisions for the FAA's Federal Contract Program. The FAA contracts with private sector companies to operate 256 air traffic control towers at considerable savings to the federal government. The FAA's attempts to cut funding to the contract tower program have been rebuffed by Congress multiple times. The Salina Airport's control tower is a contract tower operated by Midwest ATC, Inc. of Overland Park, KS. To prevent the FAA from taking action contrary to Congressional intent, authorization and appropriations bills for the Federal Contract Tower Program should be specific about the program and limit the FAA's discretion over program budget cuts. An operational air traffic control tower is essential for aviation safety at the Salina Regional Airport and the viability of United/SkyWest service and the K-State aviation program.

U. S. Department of Transportation Essential Air Service (EAS) Program – Full Funding

The EAS program funds subsidized air service at the Salina Regional Airport for the benefit of Salina, Saline County and North Central Kansas residents. The community has successfully restored scheduled air service and the first seven months of United/SkyWest regional jet service to Denver and Chicago is a documented success. Full EAS Program funding for FFY 2019 and 2020 will allow United and SkyWest the ability to continue to offer Denver and Chicago flights for Salina, Saline County and North Central Kansas. The Salina EAS contract will be renewed in CY 2020. Based upon the current success of Denver and Chicago flights, a lower subsidy can be expected.

Higher Education Act Reauthorization

The Higher Education Act (HEA) was due for a reauthorization in 2013 but has yet to be addressed by Congress. Higher education is a crucial economic engine for Salina. We encourage Congress to pass a bipartisan HEA reauthorization package that seeks to 1) increase access for all students who seek a post-secondary credential; 2) provide additional assistance to students and families so that they can afford the post-secondary education of their choice – public or non-profit, 2-year, 4-year, or short-term credential; 3) ensure institutions are accountable to students and taxpayers while seeking to simplify regulatory burdens that often come at the expense of the educational mission; and 4) recognize and protect the critical mission and capacity differences across the higher education ecosystem that make American higher education the world leader.

State of Kansas Legislative Policies

State Revenue/Tax Reform

The legislature should undertake a comprehensive review of state and local tax policy aimed at tax reform designed to enhance the ability of both state and local governments to provide essential services for the citizens of Kansas as well as provide resources to address critical future priorities. As part of this reform effort, all three legs of the tax base – income, sales, and property – should be examined and then broadened. This includes continued work to roll back past income tax rate reductions and reduce the number of special exemptions and tax credits within the tax code. At the same time, policymakers should protect the tax-exempt treatment of those entities that serve a clearly defined civic or educational purpose. These include schools, colleges, hospitals and health clinics, museums, and a number of other worthy organizations who provide highly valuable, broadly available community benefits on whom Salina's citizens depend.

K-12 Education

School Funding

Education continues to be a major impetus for economic development in communities across Kansas. The stakes are higher because by 2020 we are facing 71% of Kansas jobs requiring some sort of post-secondary education with 35% requiring a certificate or associate degree and 36% requiring a post-secondary degree.*

Kansas needs more students to graduate high school and complete post-secondary education. Funding matters to raising educational attainment and economic prosperity for both individuals and the state. The Kansas Supreme Court's Gannon VI Kansas ruling is an opportunity to take the next steps. We must reinvest in Kansas K-12 education, redesign schools for student success, increase measurable results for high school completion, post-secondary participation and workforce skills.

The state legislature should strongly consider the following:

- Address the Kansas Supreme Court's adequacy concern by adding inflationary adjustments, possibly the consumer price index (CPI) for fiscal years 2019-2023.
- Fully fund special education at the statutory level (the law requires 92% funding; the legislature is funding only 78%).
- Adequately fund schools through the existing formula passed under Senate Bill 19 to address the needs of students and ensure each student and school have the capacity to meet the Rose Standards or foundational structures under the *Kansans Can* vision.

Kansans Can Vision

The *Kansans Can* vision for education is that *Kansas leads the world in the success of each student*. A successful high school graduate has the academic preparation, cognitive preparation, technical skills, employability skills and civic engagement to be successful in post-secondary education, in the attainment of an industry-recognized certification, or in the workforce, without the need for remediation. The five outcomes being measured are social-emotional growth, kindergarten readiness, individual plans of study, high school graduation and post-secondary success. Reaching this goal is a top priority of USD 305 where budget dollars are being allocated for *Kansans Can* outcomes. Priorities include social-emotional services, kindergarten

readiness, career and tech-ed pathway expansion, and recruitment and retainment of quality teachers and staff. All of the goals can only be met with community relationships, partnerships and engagement.

State Revenue/Tax Reform

A comprehensive review of state and local tax policy should be undertaken with the end result being tax reform that will enhance services for citizens of Kansas, including funding for education.

Suitable Education

Article Six of the Kansas Constitution requires the Kansas Legislature “provide for intellectual, educational, vocational and scientific improvement by establishing and maintaining public schools...” Salina USD 305 does not support any constitutional amendment that would alter this. Responsibility needs to remain with the state legislature to “make suitable provision to fund the educational interests of Kansas school districts.” Responsibility for the operation of public schools needs to remain with locally-elected boards of education, as indicated in the Kansas Constitution.

**According to KSDE (Achieving the Visions, Powerpoint/Georgetown Center on Education and the Workforce).*

College and Career Ready Standards

The Kansas College and Career Ready Standards, developed by a consortium of state government and educational leaders, represents a clear set of shared goals and expectations for the knowledge and skills that will help students succeed. The standards are designed to ensure that students graduating from high school are prepared for credit-bearing entry courses in two or four-year college programs or entry into the workforce.

Kansas Legislators are urged to diligently preserve current educational and academic standards, commonly known as the Kansas College and Career Ready Standards, which reflect the expertise of educators and continue to strengthen the scholastic core of all Kansas schools.

Post-Secondary Education

Funding

To maintain the faculty, staffs, and facilities at Kansas State University Polytechnic Campus and Salina Area Technical College and the KU School of Medicine - Salina at a high level, state investments are a responsibility of the Governor and the Kansas Legislature. The Kansas Board of Regents has approved a strategic agenda "Foresight 2020". Strategic goal one in Foresight 2020 is to increase educational attainment in Kansas to 60% of resident adults having a credential or degree by 2020. In addition the Board has established budget priorities for state universities, community colleges, and technical colleges to be submitted to the Governor and presented for consideration by the 2014 Kansas Legislature. Specific priorities are:

- We advocate funding higher education at a level appropriate for current and future educational needs with particular attention paid to funding at levels to restore prior year cuts.
- Fulfill the funding requests of the Kansas Board of Regents for state universities, community colleges, and technical colleges.
- The cost model used to fund two-year colleges has not been fully funded since the inception of the model. We advocate funding the two-year sector's cost model fully.

- We support necessary funding for quality health education facilities at the University of Kansas School of Medicine – Salina and other School of Medicine campuses. The KUSM-Salina was created without any new State of Kansas or university allocations and continues to operate without any new funds (in fact there have been budget cuts). Although the University has been generous in its support of the Salina campus, it is largely due to the generosity of local/regional individuals and institutions that the school has succeeded.
- We support promotion, advancement, and necessary funding to elevate the stature of University of Kansas School of Medicine and ongoing measures to support the University of Kansas Medical Center's Comprehensive Cancer Research-To-Cure Initiative.
- We support the full funding of the Excel in CTE tuition program. Last year the legislature increased the funds by \$7.2 million for FY2018 and approved \$8.3 million increase for FY2019. The program is supposed to cover instructional costs, extraordinary costs (such as expensive equipment), institutional costs, and instructional support costs. There is uncertainty in the public view about the costs that are charged to students. Many do not understand that the consumable costs are not calculated in the extraordinary costs and that students can be charged those fees according to the statute. The institutions cannot charge the students tuition and institutional fees. Last year's allocation was increased to approximately \$27.5 million statewide, but the use was about \$25.5 million. We advocate a larger budget for this program with the ability to expand as it is needed because this program generates the future workforce in each of the local areas of the state.
- The state's Community Colleges can tax a local mill levy whereas the Tech Colleges cannot. This mill levy can be used for a variety of needs including capital projects at the local college. The state also funds State Capital Outlay for 16 of the 26 two-year colleges. Each Technical College and the Community Colleges who merged with an Area Vocational Technical School receive Capital Outlay funds. This amount, \$2.6 million, has been designated for capital outlay since the 1970s and the appropriation has not changes since that time. As economic engines in the development of our state's economy, the technical colleges need additional Capital resources to continue the highly productive outputs into the workforce. We advocate an increase in the appropriation and the reduction/elimination of the local Capital Outlay 50% match requirement. These resources have specific long-term impact on the future workforce.

College Affordability

Kansas residents with economic need who attend either a Regents university, Washburn University, or one of the twenty non-profit colleges in Kansas are eligible to receive need-based student aid through the Kansas Comprehensive Grant (KCG). Salina's Kansas Wesleyan University is among the institutions whose students are eligible for the KCG. Through this grant, Kansas Wesleyan University and its peers award more than 22% of the bachelor's degrees granted in Kansas each year while receiving only 1% of the total amount spent by the State on higher education.

However, Kansas ranks 45th among all states in need-based aid per student, at \$120 per full-time undergraduate student. For comparison, the most generous student aid state is South Carolina (\$1,960 per undergraduate). Of Kansas' bordering states, Oklahoma (\$610 per student), Nebraska (\$190 per student), Missouri (\$410 per student), Iowa (\$370 per student) and Colorado (\$460 per student) all outpace Kansas.

We support continued funding of the Kansas Comprehensive Grant at no less than FY18 levels and encourage Kansas Legislators to look closely at directing more of the state's higher

education budget toward this highly efficient need-based student aid program. We also emphasize keeping state student aid dollars (i.e. the KCG) going only to Kansans pursuing education at Kansas institutions.

Private College Support

Kansas' private non-profit colleges – which include Kansas Wesleyan University – educate more than 24,000 students each year. These institutions are also important engines for economic growth in their communities, adding nearly one billion dollars to the Kansas economy annually. Kansas' private colleges receive no direct institutional support from the State. Additionally, Kansas' private colleges have sufficient physical infrastructure to house, educate, and graduate even more students and can do so through private investment instead of depending on state spending for construction of new facilities. We remind Legislators not to overlook the important role played by private colleges in the educational landscape, economy and culture of Kansas

Early Childhood Programs/Child Care

We support quality, accessible early care and education as a vital service in supporting the healthy development and school readiness among the state's future workforce – ensuring that communities are strong. The simple truth is that Kansas employers need child care in order to attract and retain a productive workforce that builds the Kansas economy and parents need child care in order to work to provide for their families. In order to grow and sustain the early childhood workforce to meet community demands, we must focus efforts on increasing child care capacity and the quality of the early childhood workforce. This can be achieved by increasing child care wages and improving early childhood environments. An opportunity is to utilize the Child Care and Development Block Grant to increase child care subsidy reimbursement rates to child care providers (centers, family child care, and school-age care) who care for low-income children. We support the adoption of legislative and administrative policy changes that will advance the Kansas child care system.

Global Aeronautics Initiative

Salina supports the Global Aeronautics Planning initiative at Kansas State University Polytechnic. This strategic initiative is aimed at providing a plan for global market leadership for the aviation academic and research programs on campus including Unmanned Aircraft Systems. The intended results are aviation-focused programs that lead the industry within their focus areas and also have a positive economic impact on this region. This initiative will focus on collaborative, multi-sector efforts that meet the pressing needs of industry and of society at large. We support these efforts that harness the power of Kansas State University and other external stakeholders to enhance Salina's leadership role in the aviation sector.

STAR Bond /TIF

We agree that common sense amendments can improve the current STAR Bond and Tax Increment Finance (TIF) law. The City of Salina has recently authorized issuance of STAR Bonds in support of a \$150 million downtown project that has already resulted in the formation of a STAR Bond and a TIF District. Also, we have already received STAR Bond Project Plan approval from the Department of Commerce and expect to issue STAR Bonds prior to the end of calendar year 2018. As a result of the time and expense involved with progressing from STAR Bond plan preparation and approval to STAR Bond issuance, we are asking that any legislative amendments made to the STAR Bond law and/or TIF law not be applied to current projects that

have 1) already adopted a STAR Bond district; and 2) received Project Plan approval from the Department of Commerce.

Home Rule Authority

We support the State of Kansas to preserving the home rule authority of Kansas' cities with regard to taxation and other governance issues. The purpose of Kansas' constitutional home rule system is to allow the local electorate to govern their respective community. This approach to governance has worked very well throughout Kansas' history and we ask the legislature to honor it.

Sales Tax

We support the State of Kansas finding a reasonable approach to balancing the State budget, but do not support consideration of an additional increase to the statewide sales tax. The state sales tax is tied for the 9th highest state sales tax rate in the nation. At the current level, we are concerned that it begins to disproportionately place tax burden on the purchaser, many of which cannot afford higher taxation placed on basic needs. In addition, the sales tax is a flexible tax historically reserved for cities since most do not levy an income tax. Diversification of taxation has also allowed cities to keep their property tax rates at very reasonable levels and collect taxes from beneficiaries of local services beyond strictly residents of the jurisdiction.

Internet Sales Tax

The global / web economy has undeniably altered consumer spending patterns in ways that have negatively impacted local and state finances and suppressed investment in local businesses as well as maintenance or construction of brick & mortar storefronts. The inability of governments to collect local option sales or compensating use tax on remote sales has significantly eroded a viable revenue source while creating an inherently unfair tax scheme. The recent U.S. Supreme Court decision in *South Dakota v. Wayfair, Inc et al.*, 138 S. Ct. 2080 (2018) favorably addresses the issue, and we support state legislation to implement sales & use taxes on remote sales as recently clarified by the *South Dakota v. Wayfair* decision.

Sales Taxes on Food Products

With the financial impacts of sales taxes in mind, the City of Salina also supports the State of Kansas considering the elimination of sales tax on food products. We strongly believe this tax creates a disproportionate tax burden on lower income families. If sales tax is reduced or eliminated on food products it will result in significant fiscal impacts for the State and local jurisdictions. Consequently, we support offsetting the financial impacts by simultaneous authorization of sales taxes on internet sales and phased implementation of the exemption.

Property Tax Lid on Municipalities

We support the State of Kansas repealing prior legislation establishing a property tax lid on municipalities. This legislation significantly reduced locally elected officials' authority and responsibility to set these tax rates based on local conditions, needs and community acceptability.

Dark Store Property Valuation

We support proven techniques to determine commercial property values at their highest and best use through the use of all three methods of valuation--cost minus depreciation, sales comparison,

and income. We would be supportive of legislation that clarifies the appropriateness of the current property valuation methods and provides clarity regarding alternate methods and/or bases of appeal such as dark store valuation.

Building Security

We support legislation placing building security authority back with the local governments that own and operate their facilities. The current law takes away local control and applies a one size fits all approach that is not conducive to all city and county governments and educational institutions within the state.

Medicaid Expansion

We support the State of Kansas accepting federal money and participating to expand Medicaid under the Affordable Care Act. This participation is good for medium and larger hospitals, but essential for neighboring rural hospitals. A failure to participate in the Medicare expansion has caused significant fiscal harm to rural health in Kansas and poses concerns of hospital closures, as well as increased local tax burden to keep local medical care alive.

Residential Fire Sprinkler Pre-emption

About seven years ago, the State of Kansas adopted a law banning cities and counties from adopting and enforcing single-family and duplex residential building sprinkler requirements for new construction, even though this safety tool is included in the International Code Council (ICC) residential code. We recognize this decision was based on weighing a proven safety approach versus presumed increases in construction costs. We also recognize the debate excluded those who will eventually reside in the new home and presume a high level of fire safety. With this in mind, the City of Salina believes the State of Kansas' actions were an unnecessary pre-emption of local authority and governance. As a result, we do respectfully ask that you act to repeal K.S.A. 12-16,219.

Cable Television Franchise Law

We support the State of Kansas consider amending the current cable television franchise law to require all cable television providers to broadcast the required public, education and governmental (PEG) channels in high-definition (HD). These channels provide a reliable, highly utilized affordable means of engaging the local citizenry. In most, if not all of Kansas' communities, PEG channels are provided in the lower quality video resolution, while most other cable network channels are broadcast in high-definition. Cable television providers have the technology capacity to provide PEG channels in HD. They also deserve regulatory uniformity. We believe HD service quality is desired and expected by the local citizenry and should be applied uniformly by cable television providers across the state.

Transient Guest Tax

We oppose any effort by the Kansas Legislature to consider imposing a statewide Transient Guest Tax to be assessed on hotels and lodging, state cabins, and car rental with fees collected being dedicated to the State General Fund (SGF), Kansas Promotion Fee Fund, and Kansas Department of Wildlife, Parks and Tourism Fund (KDWPT.) The Transient Guest Tax should remain a primarily local issue, with local taxing authorities determining the appropriate rate level for their market, and the proceeds being used in accordance with the local ordinance.

We would support expansion of Transient Guest Tax collections to include Air BnBs, cabins, RV parks and other accommodations used by travelers in our state.

KanCare Expansion

Each year, Salina Regional Health Center writes off nearly \$30 million in charity and subsidized medical care. Small hospitals in area towns write off nearly \$1.8 million, while other health services in Saline County write off hundreds of thousands more.

Health care is an important economic driver of Saline County's economy, attracting visitors from throughout the region and the state. Health care employment makes up 10.7 percent of total Saline County employment while providing 12.9 percent of total workforce income. However, health care providers are at risk because of reimbursement reductions through the Affordable Care Act. Those decreases in payments are supposed to be balanced by Medicaid expansion in each state. Kansas has not expanded Medicaid, leaving health care providers with no way to make up for decreases.

By not expanding Medicaid, Kansas has lost more than \$1.5 billion in federal health care funding since January 2014. Considering the importance of health care to our community, and in light of continued cuts in health care payments, we support KanCare expansion in Kansas.

Kansas Governor's Military Council Funding

As reported in 2009 by the WSU Center for Economic Development and Business Research, military activity in Kansas (active duty, reserve, National Guard and civilian) supports nearly 170,000 jobs (7.4 percent of total employment) paying approximately \$5.7 billion in wages (5.8 percent of state earnings). Military activity in Kansas contributed \$49.9 million to city/county revenues, \$73.5 million to region (multiple counties) revenues and \$270 million to state revenues. The CEDBR report determined that the Smoky Hill Weapons Range (SHWR) supports an estimated 1,600 jobs at a payroll exceeding \$14 million. Since 2009 the fiscal impact of military activity in Kansas has not diminished.

The Kansas Governor's Military Council (GMC) has coordinated the retention and attraction of military activity with communities such as Leavenworth, Topeka, Manhattan, Junction City, Salina and Wichita. The GMC is the entity that works with State agencies such as the Adjutant General, KDOT, Commerce, Kansas Board of Regents and KDOR on military related issues. Successive budget cuts at the State level have limited the GMC's effectiveness. In order to restore the GMC's effectiveness we support a FY 2020 appropriation of \$500,000 for GMC activities.