



City of Lawrence

2016 City of Lawrence Legislative Priority Statement

Thank you for your dedicated service on behalf of our community! Our residents are greatly impacted by the decisions of the Kansas Legislature. We ask you to carefully consider the Lawrence City Commission's legislative priorities set forth below in the upcoming legislative session.

State Support for State Services: Avoid Shifting State Responsibilities to Local Taxpayers

State budget shortfalls have been created by the State – not local governments. We strongly urge the Kansas Legislature to avoid shifting the State's responsibility to adequately fund State services to local taxpayers – shifts that will only increase pressures to increase revenue and taxes locally.

Local Taxing & Spending Decisions Should be made by Local Officials

The Lawrence City Commission strongly opposes the enactment of State-imposed spending or taxation controls or lids. These bills create an arbitrary and capricious procedure for what should be an essential function of representative democracy: elected officials determining the appropriate spending and taxing policies of their community. Local tax and spending decisions should be made by locally elected officials – not by artificial limits in the State statutes or Constitution. The tax lid measures adopted during the 2015 legislative session present unworkable constraints for local governments. At a minimum, this legislation needs amending in 2016 to match current statutory budgetary deadlines. The effective date of January 1, 2018 should not be pushed forward. Legislative changes should allow for local governments to increase their budgets beyond consumer price index increases within budgetary timelines. A repeal of these tax limits would return budgetary authority to where it should be – local units of government.

Transportation – Safety and Infrastructure Improvements & Connecting Links Program

The City of Lawrence supports KDOT funding the T-WORKS program. Cities that are facing aging infrastructure and dwindling local resources rely on State resources. The City opposes any transfer of the T-WORKS funds to balance the State's General Fund. Our State highway funds should be used for the purposes for which they are collected. The City-County Highway Fund is also essential to maintaining local roads and should be fully funded. The City also supports increasing the amount of State funding which supports maintenance of State highways within city limits. The City of Lawrence encourages increased funding for the connecting links program. The City applauds KDOT for the completion of the South Lawrence Trafficway (SLT). However the completion of the eastern leg of the SLT creates a safety concern with the existing western leg of K-10. Expansion of the western leg of the K-10 loop in Lawrence to the I-70 corridor is a critical safety improvement for the City of Lawrence and needs to be completed. KDOT does not have a timetable for available funding for this critical safety improvement of transportation infrastructure.



State support of infrastructure programs are essential for maintaining local, state and regional transportation systems.

Rail Service & Intercity Transit

This City of Lawrence supports existing and enhanced passenger and freight rail service in Kansas. We support efforts to expand Amtrak service in the state via the Northern Flyer route. The Northern Flyer would extend existing Amtrak service from Dallas to Oklahoma City and Kansas City. The City of Lawrence recognizes the financial, environmental, and quality of life advantages of having expanded Amtrak services. The State should also support maintenance of passenger train routes to keep existing lines operable. We support efforts to explore light rail development in the Kansas City metropolitan area. The City encourages state involvement to help neighboring cities and counties use public transit to reduce traffic congestion on state highways.

Property & Sales Tax Exemptions

The City of Lawrence believes the existing property tax base should be protected and encourages the Legislature to resist any expansion of exemptions from taxation. The City supports the existing definition of machinery and equipment and the exemption should not be expanded. The Legislature should review existing exemptions in order to determine whether they are still appropriate and needed. The City of Lawrence supports current law that exempts local government and public construction projects from sales tax. Removing this exemption, making such purchases subject to State sales tax will only result in increased property taxes at the local level. The State of Kansas should not balance its budget on the backs of local taxpayers.

Gender and Marriage Equality

The City of Lawrence opposes any efforts by the State Legislature to diminish or delay the US Supreme Court decision on same sex marriage.

Alcohol and Liquor Tax Funds are Key City Resources

The City of Lawrence and many community groups rely heavily on monies received from State taxes levied on alcohol purchases. Pursuant to State law, one-third of the fund revenues are allocated to the City's General Fund, one-third to the Special Recreation Fund and one-third goes in the City's Special Alcohol Fund. Resources in the City's general fund provide support for a number of city services, while monies deposited in the City's Recreation Fund provides resources for a number of park and recreation activities. A number of not-for-profit Lawrence organizations rely on the funds from the City's Special Alcohol Fund for their programs. The City of Lawrence opposes any efforts to divert or diminish the distribution of local alcohol tax fund dollars to the State.

Unfunded Mandates and Legislation Restricting Local Authority

The City of Lawrence opposes unfunded mandates which take limited local tax dollars to support priorities and needs of State and Federal Legislatures. We also oppose legislation which restricts our local authority to make local decisions. The 2013 Legislative changes to the Personal and Family Protection Act have negatively impacted local authority and should be repealed to give locally elected officials the authority to make decisions about their local public buildings. Legislation introduced in the 2015 session would also have mandated local police use of body cameras without providing State resources to purchase such technology or training funding. Decisions to use this technology should be left to local units of government.

Biosciences and Technology Business Center

The Bioscience and Technology Business Center (BTBC) opened in the fall of 2010 and is an outstanding success providing the opportunity for several new and existing companies to grow their business at the state-of-the art facility located on the University of Kansas West Campus. A second phase of building was completed in 2014 to provide additional space for new companies bringing jobs and the potential for growth in Lawrence and Douglas County. The facility represents a unique partnership of the City of Lawrence, Douglas County, the University of Kansas, the State of Kansas, the Lawrence Chamber of Commerce, the Bioscience and Technology Business Center and others. Additional public-and-private funding is being sought to allow this strong momentum to continue. We urge the Kansas Legislature and our local delegation to continue providing support and funding for biosciences and technology development, including support for the BTBC. We urge there not be further cuts to State support to the BTBC.

KPERS & KP & F Funding

The City's ability to hire and retain qualified public employees is dependent upon an attractive and well balanced benefit package including the KPERS and KP&F retirement programs. Any modifications to the KPERS and KP&F programs should not negatively impact public organizations' ability to recruit qualified professionals to public service. Membership in KPERS programs totals over 289,000 - including active, inactive and retired members. As KPERS and KP&F are classic "defined benefit" retirement plans, the State of Kansas and the numerous public entities whose employees are subject to the plan have a statutory and contractual obligation to ensure that KPERS and KP&F have sufficient funds to pay the required benefits to the public employees who are participating in the plan. It is important for the state to keep that commitment to the many dedicated public employees under their watch.

Sales Tax Fairness

Small businesses are the lifeblood of local communities. The City of Lawrence strongly supports Congressional action to collect mandatory sales taxes on all goods – purchased locally or through the Internet. The Kansas Legislature should urge Congressional action on this key portion of tax fairness. In 2015, the Kansas Legislature increased the State portion of sales taxes from 6.15% to 6.5% in order to balance the State's budget. Such a tax is inherently regressive and places a disproportionate share of the tax burden on the poor, low income and fixed income elderly citizens of the State. According to data from the Tax Foundation, most states exempt food purchases from sales tax collections. This measure was discussed during the 2015 session, but not adopted. We encourage adoption of a sales tax exemption on food purchases on this most recent State sales tax rate increase of 0.35%. Food sales should not be subject to this added rate.

Annexation

Cities must also protect their authority in regards to annexation of property. Cities must have authority to plan for population growth, economic growth and for infrastructure expansion. The ability of cities to grow is inherent to the ultimate success of annexation powers as they are currently established in state statute. The City of Lawrence opposes further statutory changes that would limit the authority of cities to grow through annexation.

State Funding for K-12 and Higher Education

The Lawrence City Commission urges the Kansas Legislature to provide robust funding for the education of future Kansans – from our K-12 schools to our higher education institutions, particularly including the University of Kansas. Lawrence and the State of Kansas benefits from a strong education system and we urge the Legislature to include education funding among its top priorities and to engage with local communities on legislation regarding local school financing. Lawrence public schools experienced an enrollment growth of 249 more students in the fall of 2015. However, Lawrence received no additional State dollars for educating these pupils. This has led to increased class sizes and reductions in teaching positions. The City urges changes to the block grant formula adopted during the 2015 session. Such a formula does not provide for growth and locks in inequities.

Extending Period of Exemption for Handgun Ban in City Buildings

In December 2013, the City Commission voted unanimously to exempt nearly all City buildings from a new state law allowing the carrying of concealed firearms inside municipal buildings. That law allows municipalities to seek a 4-year exemption, but requires municipalities to permit the carrying of concealed firearms at the exemption's expiration unless "adequate security measures" are implemented. The City's exemption expires January 1, 2018, at which time the City must provide equipment to ensure weapons are not carried inside buildings, such as metal detectors and metal detector wands, and personnel to staff that equipment. The electronic equipment, including an x-ray scanner for bags, and salaries of staff members to operate the equipment would cost approximately \$100,000 per building. There may be additional costs, depending on the building, for structural changes to accommodate a secure screening area. This means that for municipal buildings to be properly equipped and in compliance with the "adequate security measures" mandate, the City would be required to spend millions of taxpayer money in its quest to ensure one of its top priorities: public safety. In the event the City's request to regain authority to make decisions about its buildings is rejected and this law is upheld, the City urges an additional extension of the 4-year exemption to allow it to properly budget for the cost of adequate security measures.

Liability for Health Care Expenses

K.S.A. 22-4612 was interpreted by the Kansas Supreme Court this year to mean that a law enforcement agency is liable to a health care provider for health care services rendered to an indigent person if the decision to seek medical care is made while the person is in the agency's custody. This means that any injuries a person suffers before being taken into custody by City officers or injuries otherwise wholly unrelated to the reason for arrest would be the financial responsibility of taxpayers. These costs can escalate quickly. The City urges an amendment to this state statute so that the cost of such health care expenses is not assessed to the local taxpayers.

Renewable Energy & Property Assessed Clean Energy (PACE) Legislation

The City supports public and private incentives to encourage investment in renewable energy sources. The City supports the goal of having a 20% renewable portfolio for regulated utilities by 2020. We encourage the State to work with cities to pursue manufacturing facilities for wind, biomass, solar and other energy related industries in Kansas. The City also supports legislation introduced in the 2015 session – HB 2350 that would allow for the assessment of clean and energy



efficient improvements to properties, to be assessed on a parcel's property taxes over a period of years. Twenty-four states have adopted such PACE legislation. The proposed bill would allow for the creation of local programs that would have no impact on the State budget while increasing energy efficiency statewide.

Mental Health Issues

In 1990, Kansas lawmakers passed the Mental Health Reform Act, agreeing to adequately fund the State's community mental health centers in exchange for their help in diverting would-be patients — children and adults — from State-run hospitals in Kansas City, Osawatomie, Larned and Topeka. In the 1990 reform act, lawmakers created a state-funded grant program to help the centers offset their cost of caring for the uninsured. But between 2007 and 2012, the grant program's funding fell from \$31 million a year to \$10.9 million. Today, directors at many of the 26 community mental health centers in Kansas say the system is breaking down because State funding hasn't kept pace with the increasing demands for care in their communities. Though this funding stream has been reduced significantly, the demand for services from the uninsured and underinsured continues to increase. If those in need of services do not receive timely treatment, they may have to be served in jails, emergency rooms or state hospitals, all of which are much more expensive than community-based services. Additionally, the State's mental health hospitals are often at capacity.

Expansion of Medicaid would provide coverage for those who have a mental illness so they can access needed mental health treatment in their communities. The Affordable Care Act (ACA) also provides for the option of a Section 2703 Health Homes waiver. Kansas has been participating in this health homes waiver since 2014 and has impacted over 30,000 Kansans with Serious Mental Illness. Funding for this program needs to continue so that we can serve this high needs population efficiently.

Funding to establish local public/private partnerships for psychiatric inpatient hospital beds across Kansas to alleviate demand on our State hospital beds and the creation of regional Crisis Stabilization Units will help provide treatment for those individuals who need less acute care for shorter lengths of stay than the use of State psychiatric hospitals. Savings from the admissions to the State psychiatric hospitals should be reinvested into the Community Mental Health Care (CMHC) system.

Upon release from jail or prison, the ex-offenders' Medicaid eligibility should immediately be reinstated to ensure those individuals with mental illness or substance abuse are able to immediately access care, treatment and needed medications upon release. At this time, Kansas law does not allow for suspension of Medicaid eligibility to be reinstated upon release from prison.

Funding for the Arts

In 2011, State of Kansas funding for the Kansas Arts Commission was eliminated. The City of Lawrence supports restoration of State funding for the arts. Funding arts initiatives is another form of economic development for the State and for localities. Leading cutting edge companies look to cities that have a thriving environment for creative industries and the arts – both as a resource for their employees and for the creative capital such an environment promotes. Increased federal funding may also result from State of Kansas supported arts programs. Extensive research related to economic impact in the arts by Americans for the Arts and other regional and national agencies demonstrates clearly that the arts and culture industry provides jobs and generates economic activity and tax revenue.

Children's Initiative Fund

Since fiscal year 2000, proceeds from the national settlement with tobacco companies have been deposited in a trust fund, the Kansas Endowment for Youth (KEY) Fund. Policymakers at the time determined that settlement proceeds would be used for programs that benefit children. The Children's Initiative Fund was created to fund programs recommended by the Governor's Children's Cabinet. Approximately \$51 million dollars was recommended in the governor's budget in fiscal years 2014 and 2015 to fund programs from the Children's Initiative Fund. Recent fund sweeps by the Governor's Office has greatly reduced the amount of funding available to these key programs – fund sweeps that were used to balance reduced State revenues. Many not-for-profit organizations and programs rely on this funding source in order to provide their services within communities. The City of Lawrence opposes reductions in the Children's Initiative Fund and fund transfers to the State General Fund.

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