



**Legislative Committee
Meeting Agenda
8:00 AM, February 24, 2012**
Workforce Alliance Administrative Offices
Council Member Jeff Longwell, Chairman

1. **Welcome, Introductions, and Announcements:** *Council Member Jeff Longwell*
2. **Approval of Minutes from January 27, 2012:** *Council Member Jeff Longwell*
Recommended Action: *Approve or modify minutes as needed.*
3. **Special Presentation and Discussion on S.B. 375, Regulation to allow land spreading of drill cuttings:** *Jimmie Hammontree, Chesapeake Energy*
Legislative Committee Members will hear a short presentation on the process and legislation that was introduced by the Kansas Department of Health and Environment that allows oil and gas exploration activities to land apply drill cuttings as an option for disposal.
4. **REAP 2012 Legislative Priorities Report**
 - a. **Legislative Priorities Update:** *Joe Yager*
A report on the REAP 2012 Legislative Priorities.
 - b. **Legislative Liaison Report:** *Tom Bruno*
An update from Topeka on the 2012 Legislative Session will be provided.
5. **Review of Recent REAP Outreach:** *Council Member Jeff Longwell*
In an effort to guide state and national policies and engage stakeholders the REAP Legislative Committee has increased its efforts in outreach and engagement. The following are reports from three recent efforts undertaken by the Committee.
 - a. **South Central Delegation Meeting in Topeka**
 - b. **Opposition Testimony to House Transportation Committee on HB2747**
 - c. **February 11, 2012 SCAC Meeting**
6. **Upcoming Events:** *Council Member Jeff Longwell*
 - a. **South Central Kansas Delegation Forum:** *7:00 PM, February 27, 2012, Derby Welcome Center, 611 Mulberry RD, Derby, KS 67037*
 - b. **REAP Board Meeting:** *8:00 AM, March 12, 2012, Hughes Metropolitan Complex, 5015 E. 29th Street North, (29th and Oliver) – Focus on Water*
 - c. **REAP Legislative Committee Meeting:** *Noon, March 30, 2012, Workforce Alliance*
 - d. **South Central Kansas Delegation Forum:** *Time TBD, April 21, 2012, Hughes Metropolitan Complex, 5015 E. 29th St Wichita, Kansas, February*
7. **Unscheduled Topics:** *Committee Members*
Committee members are encouraged to provide updates or request discussion on issues that may be relevant to REAP.
8. **Adjourn**

Legislative Committee
Meeting Minutes – January 27, 2012
Workforce Alliance Administrative Offices
Council Member Jeff Longwell, Chair

1. Welcome, Introductions and Announcements:

Council Member Jeff Longwell, City of Wichita, opened the meeting; members, staff, and guests introduced themselves.

2. Review of Minutes from the November 18th, 2011 REAP Legislative Committee Meeting

Mayor Kristey Williams, Augusta, moved (Council Member Longwell) to approve the minutes. The motion passed unanimously.

3. REAP 2011 Legislative Priorities Report

a. Legislative Liaison Report

Mr. Tom Bruno, REAP Legislative Liaison, provided an update from Topeka on the 2012 Legislative Session. He noted that Affordable Airfares was included in the Governor's proposed budget. Currently there has not been a date set for the budget committee because some housekeeping issues are still being worked out. The school finance, Governor's tax proposal and redistricting issues could dominate the discussion. Another item to be aware of is how the reported surplus will affect the budget negotiations.

Council Member Longwell noted funding of ASR was not as much as the City had requested, but noted that there were reports on the environmental savings (money and usage) from the effect the project is having on the salt brine.

Mr. Dane Baxa, REAP Water Resources Executive Officer, noted the KCC regulation on a hydraulic fracturing bill (HB2526). Mr. Bruno provided an update on the process, including noting a planned hearing on the bill.

Mayor Williams requested staff to provide an update on the 2012 legislative priorities with a background of each specific priority and forward that information to the Committee. It was noted that background information would be forwarded via email and reporting at the next Committee meeting would include specific information on the priorities.

b. Kansas Affordable Airfares Update

Mayor Williams provided an update on required reporting, including that REAP has met all required reporting to date. Additional reporting will be necessary, including testimony during the session and with the western Kansas request for funds that is currently being determined as to requirements through negotiations with the Kansas Department of Commerce.

Mayor Williams also noted that there was a clear plan for proceeding on efforts to inform legislators and directed staff to send a request to REAP membership to help solicit letters of support from area businesses. Mr. Joe Yager, Chief Executive Officer of REAP, noted that two different letters were utilized last year and that staff would forward a request that included instructions for securing support letters and contact information.

Mr. Longwell expressed concerns that were relayed to him that the Southwest Airlines announcement could cause additional grief with legislators in the northeast portion of the state. Mr. Bruno stated there had not been any problems at this time and that we would continue to provide all legislators with information on the success of the airfares program.

It was noted that REAP should reach out to western Kansas as a partner and beneficiary of the program. Discussion continued on different jurisdictions that could help with contact of different legislators.

4. South Central Delegation Meeting Sponsorship

Yager shared the plans for REAP serving as the host for the weekly South Central Delegation meeting on February 8th, 2012. This event is intended to strengthen our presence in Topeka. Staff suggested having about seven to eight members at the lunch. The Committee members noted that the Executive Committee has a wide breadth of members from large and small jurisdictions, creating a great group to interact with the delegation and suggested they represent REAP at the meeting.

5. Membership Discussion

Council Member Longwell led a discussion on REAP membership, noting the possibility of opening membership to non-elected officials. Dr. Ed Flentje, REAP Senior Consultant, noted that we could still run into the same problems as the elected officials since many professionals have their own obligations and simply letting them know they are welcome should be sufficient. The Committee agreed that having an active agenda can create engagement.

Mr. Yager noted the Listening Tours drew a broader base of participants than we normally have present. Through listening to these points, perhaps the proper size of the Committee is to stay small. Mr. Longwell suggested an informational brochure to show what the Committee is involved with could highlight meetings.

The Committee directed staff to develop a meeting review and to increase engagement opportunities.

6. Sustainable Communities Planning Grant Update

Mr. Yager noted that although this Committee should not be affected by the grant directly, active discussion and participation, as well as open communication and transparency will be vital. Staff will continue to inform the Committee on the progress of the grant.

7. Upcoming Events

Mr. Longwell noted several upcoming events listed on the agenda.

8. Unscheduled Topics

No unscheduled topics were brought up for discussion.

9. Adjourn

Having no other business the meeting was adjourned.

REAP Legislative Committee

Attendance – 1/27/2012

Committee Members

Chair - Council Member Jeff Longwell, City of Wichita
Mayor Kristey Williams, City of Augusta
Ms. Stephanie Knebel, City of Derby
Mr. Dale Goter, City of Wichita

Guests/Staff

Mr. Tom Bruno, Bruno & Associates (Via Phone)
Mr. Marv Duncan, Sedgwick City
Mr. Bill Bolin, SCKEDD
Dr. H. Ed Flentje, WSU
Mr. Joe Yager, WSU
Mr. Taylour Tedder, WSU

Item

REAP Legislative Committee 2012 Legislative Priorities Update

Background

The REAP Legislative Committee identifies legislative issues of regional concern and recommends to REAP legislative action at the state or federal level. In particular the LC monitors the progress on the annual legislative priorities. On December 8, 2011 REAP adopted its 2012 Legislative Priorities. An update on these priorities follows:

Maintain Kansas Affordable Airfares Program to assure more flight options, more competition for air travel, and affordable airfares for Kansas.

- Airfares is included in the Governor's recommended budget at the full amount of \$5 million.
- The Budget Committee which handles the Department of Commerce has passed out the budget with the airfares money included.
- The Budget Committee report now moves to the Appropriations Committee for discussion.

Advance legislative and administrative action to secure state financial participation in:

The Equus Beds Aquifer Storage and Recovery (ASR) Project to preserve the aquifer for agricultural, industrial, and municipal use that is essential to the regional economy.

- The Governor has included ASR in his recommended budget for \$500,000 and there has been discussion and reporting on the savings from the environmental impact in the Equus Beds.
- On February 17th, the House Appropriations Committee approved the subcommittee (and Governor's) recommendation of \$500,000. An additional \$600,000 as recommended by the Kansas Water Authority, will be reviewed during consideration of the Omnibus spending bill near the end of the 2012 session.

Sediment and nutrient reduction programs that protect and sustain the region's public water supplies.

- No funding was identified in the Governor's budget to utilize the six million dollar general fund demand transfer to support a sediment and nutrient reduction program.

Aviation research at the National Institute for Aviation Research at Wichita State University.

- The Governor has included funding for the National Institute for Aviation Research (NIAR) in his recommended budget under the Department of Commerce at \$5,000,000.

Orthopedic research at the Center of Innovation for Bio Orthopedic Research (CIBOR).

- \$3,000,000 was awarded to CIBOR related to fiscal year 2012, running from July 1, 2011 to June 30, 2012. This award is inclusive of the modification of the State of Kansas House Bill 2383, which allocates \$1,000,000 of KBA funds to CIBOR through Wichita State University.
- There is no indication that the recent audit findings will have an impact on CIBOR funding, however, the Governor has proposed a moratorium on funding from the KBA. The audit will continue to be a focal point while there are unresolved legal issues.

Support a reevaluation of current state water policy including Kansas Water Authority representation; revenue sources and distribution for the state water plan fund; and, the process for adopting the annual state water plan fund budget.

- At the January Kansas Water Authority Meeting, the Kansas Water Office staff announced they will begin a process to update the state water plan, and will aim to align regional and state priorities and funding.

Promote science-based, common sense policies that protect the safety of the region's water supply; recognizing that the region's job creation potential should not be unnecessarily jeopardized.

- Three bills have been identified by the Water Resources Committee for evaluation:
 - [House Bill 2678](#) would allow sand and gravel pit operators to bypass current water regulations. The issue is whether the operators should be required to obtain a water right to account for evaporation from the pits. Ground Water Management District (GMD) 2, which oversees the Equus Beds, filed opposition testimony. The bill was heard in the House Agriculture and Natural Resources Committee.
 - [Senate Bill 272](#) flew through the House and Senate, bringing important changes that will assist agriculture. A side product of that debate is the concern over the water rights associated with the Equus Beds ASR project. The Governor told his weekly news conference that the Equus Beds concern would not be ignored. The Division of Water Resources in the Department of Agriculture is working with the City of Wichita and other parties to identify a possible resolution.
 - [Senate Bill 375](#) also raised Equus Beds issues as it sought a solid waste permit process for the oil drilling shavings that are spread on the ground. Sen. Carolyn McGinn raised the question of whether the chloride content of the shavings could add to the pollution concerns already associated with the aquifer. An amendment was added February 16th to address those concerns and was passed from the Senate Agriculture Committee. The amendments include:
 1. Limitation of the practice in areas where the water table is 10 feet or less.
 2. Limitation of the practice in areas with 25 inches or more rainfall each year.

Support research and development efforts regarding renewable energy sources.

- There have been several bills regarding specific renewable energy types, most have been tax bills. These bills are at various stages in the legislative process and are as follows:
 - [SB 244](#) – Regarding municipalities; power to enter into agreements for renewable energy generation facilities, currently in Senate Local Government.
 - [HB 2141](#) – Concerning property; requiring wind and solar agreements to run with surface estate, currently in Senate Utilities.
 - [HB 2143](#) – Regarding Electric generation, transmission and distribution; relating to recovery of costs for energy storage devices, currently in House Energy and Utilities.
 - [HB 2181](#) – Regarding Utilities; transmission lines and easements, currently in House Energy and Utilities.
 - [Sub for HB 2220](#) – Regarding PEAK act, qualification for benefits and income tax credit, has been stricken from Calendar.
 - [HB 2317](#) – Authorizing expensing of investment expenditures as a deduction in calculating Kansas income tax liability and IMPACT program changes, has been stricken from Calendar.

- [HB 2352](#) – Notice and opportunity to be heard for counties in public utility exemption application process, currently in House Taxation.
- [HB 2391](#) – Marking certain anemometer towers used for wind energy testing, currently in House Energy and Utilities.
- [HB 2446](#) – Renewable energy standards act and energy storage, currently in House Energy and Utilities.
- [HB 2708](#) – Renewable energy resources, currently in Senate Utilities.
- There are two separate pieces of legislation that establish targets for energy development, consumption and costs, that are currently in House Energy and Utilities ([HCR 5005](#) and [HCR 5012](#)).

Support a stronger system of business-driven technical training and education in Kansas including enhanced funding support, better alignment and articulation of education and training programs, and transition programs to better serve adult learners.

- The Governor has included funding for the National Center for Aviation Training (NCAT) in his recommended budget under the budget for WSU at \$4.9 million.

Support federal reauthorization of the Workforce Investment Act of 1998 to include maintaining local control through private sector and employer driven Local Workforce Investment Boards.

- There is no legislation for reauthorization expected.
- The President unveiled his [FY 2013 budget request](#), which is unlikely to gain much traction in Congress in a Presidential election year.
- One of the key highlights of this proposal is an \$8 billion request to enhance community colleges ability to provide training to jobseekers in demand related industries. It is important to know that this initiative is designed to augment, rather than replace the workforce system. Unlike the majority of the budget proposal, the \$8 billion community college request is on a very different legislative track and does not count against the current budget request, as the initiative must first go through the authorizing process to be enacted. The Administration proposes to fund it through the mandatory side of the budget that pay for programs like, Social Security, Medicare, and TANF, instead of the annual appropriations process. According to Congressional insiders, there is very little chance for this community college proposal to pass in the current environment, particularly with an \$8 billion price tag.
- *What does the budget request mean to the workforce system?* According to the National Association of Workforce Boards, the important take aways in this budget for the workforce system are the following:
 - 1) WIA formula programs would continue under current funding levels, providing WIB's around the nation with overall funding stability for another year;
 - 2) The FY 13 budget is not expected to be completed until after the election. Both House and Senate Appropriators have indicated that they will hold fewer hearings and earlier markups this year, with the hope of completing their individual work on the bills before the August recess. However, no one anticipates completing the FY 13 bills before a post election lame duck session of Congress at the earliest.
 - 3) The Budget Control Act requires that a "sequestration", an across the board cut of up to 9% to non-protected programs in January, 2013 to help reduce the budget deficit, including appropriations programs. As a result, it is expected that there will be stronger efforts than ever to raid lower priority programs to protect more politically popular ones.

Item

Review of Recent REAP Outreach

Background

The REAP Legislative Committee identified two areas of importance in the REAP Strategic Plan:

- 1) **Guide state and national policies** by engaging local leadership to represent the region at the state level and developing relationships with state governmental officials.
- 2) **Engage stakeholders** by providing regional forums that connect REAP membership with public sector stakeholders and conducting outreach on the purpose and accomplishments of REAP.

In an effort to address these roles the REAP Legislative Committee has increased its efforts in outreach and engagement. The following are reports from three recent efforts undertaken by the Committee.

A. South Central Delegation Meeting in Topeka

REAP served as the sponsor of the weekly South Central Kansas Legislative Delegation luncheon on February 8, 2012. Twenty (20) legislators attended as REAP Chair Mayor Kristey Williams (Augusta), Commissioner Chip Westfall (Harvey County) and Council Member Jeff Longwell (Wichita) presented information about REAP, including: background on the history of REAP; the roles, work items and purpose of REAP; and overview of several REAP legislative priorities. Joe Yager, Dane Baxa, Tom Bruno, Dale Goter (Wichita) and Marv Duncan (Sedgwick) also attended.

B. Opposition Testimony to House Transportation Committee on HB2747

REAP Chair, Mayor Kristey Williams (Augusta) submitted written testimony on behalf of REAP at the House Transportation hearings on HB2747 on Thursday, February 16. REAP was alerted to possible negative consequences regarding the use of state transportation dollars as a means of financing a broad tax reform measure under HB2747. REAP Legislative liaison Tom Bruno noted that all the transportation interests had come out against the bill and he did not believe that portion would remain given the hit on the T-Works program, however, he also noted that it would not be harmful to submit written testimony expressing our concern about the negative impact the proposal could have on South-Central Kansas. REAP staff forwarded information regarding this measure to all members of the Committee. The submitted testimony has been attached to this report.

C. February 11, 2012 SCAC Meeting

The February 11, 2012 Sedgwick County Association of Cities (SCAC) meeting was held at City Arts in Old Town, Wichita, KS and included a South Central Kansas Legislative Delegation panel. Dale Goter (Wichita) moderated a panel of: SCK Delegation Chair, Representative Pete DeGraff; Kansas State Senator Jean Schodorf; and Kansas State Representatives Jim Ward and Steve Brunk. The legislators provided insight into the session and answered questions from the audience. Several REAP members were in attendance, including: REAP Legislative Chairman, Council Member Jeff Longwell (Wichita); Mayor Dion Avello (Derby); Mayor Marcey Gregory (Goddard); Mayor Mike McNown (Valley Center); Mayor Terry Somers (Mount Hope); and Stephanie Knebel (Derby). Joe Yager also attended.



ANDOVER, ARKANSAS CITY, AUGUSTA, BEL AIRE, BENTLEY, BENTON, BUTLER COUNTY, CHENEY, CLEARWATER, COLWICH, CONWAY SPRINGS, DERBY, EL DORADO, GARDEN PLAIN, GODDARD, HALSTEAD, HARVEY COUNTY, HAYSVILLE, HESSTON, HUTCHINSON, KECHI, KINGMAN COUNTY, MAIZE, MCPHERSON, MCPHERSON COUNTY, MOUNT HOPE, MULVANE, NEWTON, PARK CITY, RENO COUNTY, ROSE HILL, SEDGWICK, SEDGWICK COUNTY, SUMNER COUNTY, VALLEY CENTER, WELLINGTON, WICHITA

Kansas House Taxation Committee
 Hearing on HB2747
 Opposition testimony by Regional Economic Area Partnership

Chairman Carlson and members of the committee:

As Chair of the Regional Economic Area Partnership, I submit this opposition to the use of state transportation dollars as a means of financing a broad tax reform measure such as HB2747.

The Regional Economic Area Partnership (REAP) is a council of 36 city and county governments in South Central Kansas that provides government leaders an opportunity to come together for support, ideas, collaboration, and for a common purpose -- to strengthen our individual communities and our region's economy. REAP promotes regional cooperation and develops innovative solutions by providing forums for the region to work together to advance economic partnerships, workforce development issues, water resources, and other issues that cross traditional jurisdictional boundaries.

More specifically, REAP represents a diverse membership of local officials and representatives from rural and urban communities in South Central Kansas who work together to promote a positive economic climate that will provide for population growth and wealth creation by supporting economic development tools and policies that will make our region, as well as all areas of Kansas, more competitive.

REAP supports the Governor's and Legislature's common goal of improving the economy of our state and creating more jobs for its citizens.

We do recognize the economic times that we are living in and understand the need to be responsible stewards of public monies, however, HB2747 would delay as much as \$350 million in T-Works funding, resulting in project delays, cost increases and the loss of economic development that would be created by those transportation projects. This diversion of tax dollars from the T-Works program will be counterproductive and will result in a negative fiscal impact on our state.

REAP agrees with Gov. Brownback that we should not raid KDOT funding and support the fulfillment of the T-Works agenda as it is a vital component of many of our communities, our region's, and State's economic future.

Therefore, on behalf of the members of REAP we respectfully ask the House Taxation Committee to uphold the 2010 Kansas Legislature promise to utilize the transportation funds for transportation purposes.

Thank you for your leadership and service to the State and for your time in considering this matter. Please let me know if you have any questions or if REAP can be of any assistance in the future.

Sincerely,

Mayor Kristey Williams, Augusta
 REAP Chairman