

2017 STATE LEGISLATIVE PRIORITIES

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The American Council of Engineering Companies of Kansas (ACEC Kansas) is focused on promoting and protecting the business interests of Kansas engineering companies and their ability to serve their clients. With 73 member firms and more than 5,800 employees, ACEC Kansas represents small, medium, and large engineering firms, who serve clients in Kansas, the United States, and throughout the world. The following outlines ACEC Kansas's priorities for the 2017 legislative session.

2017 TOP PRIORITIES:

- Procurement
- Fighting Professional Service Tax
- Infrastructure Funding
- Private Sector Engagement

STANDING POSITIONS:

- Alternative Project Delivery
- Contracting
- Licensure
- Labor and Workers' Compensation/
Unemployment Insurance
- Workforce Development and Education
- Tax Policy
- State Building Codes



TOP PRIORITIES

1.0 PROCUREMENT

From planning, design through construction, to operation and maintenance, the method used to select professional engineering services has a profound effect on project quality and total cost. Any selection method other than selecting professional engineering consultants based on qualifications can prove costly to the client, the taxpayer, and all stakeholders.

ACEC KANSAS POSITION

ACEC Kansas supports legislation that protects and promotes the use of qualification-based selection (QBS) by state agencies. ACEC Kansas also supports state laws requiring local governments receiving federal and/or state funding including grant and loan programs to use QBS for selecting professional services provided by engineering consultants.

2.0 FIGHTING PROFESSIONAL SERVICE TAX

ACEC Kansas is opposed to the concept of levying a sales tax on businesses that provide professional services to their clients. Such taxation is regressive, inhibits competition, and is inherently difficult and burdensome to administer. Because over 50 percent of engineering business comes from tax exempt clients, taxes on professional services have historically failed to generate the amount of forecasted revenue. Taxing

professional services would put Kansas firms at a competitive disadvantage across the country and globally.

ACEC KANSAS POSITION

ACEC Kansas opposes any legislation that would impose a sales tax on professional services.

3.0 INFRASTRUCTURE FUNDING

Infrastructure and energy is the backbone of the state and local economies. Investment in transportation, building systems (heating, air-conditioning, electrical, data, communication and fire protection), water and wastewater facilities is a top priority to support job and economic growth.

A strong and efficient transportation system is critical for protecting public health and safety, promoting commerce, and keeping Kansas and America competitive. Without it, emergency workers can't respond, manufacturers and farmers can't get their products to market, students can't get to school, and workers can't get to jobs.

Across the state, the need to grow and maintain an aging water and utility infrastructure system is critical to the public and businesses that rely on this precious commodity. Areas of the state are facing critical shortages and many urban areas are dealing with deteriorating water infrastructure.

The infrastructure of the physical facilities at Kansas' higher education institutions must be maintained and upgraded to provide teaching and learning environments to attract and educate the best young minds. This can only happen with adequate facilities, and if the students come to Kansas for their education, they may be more likely to stay and contribute to the Kansas economy after they graduate.

The focus on improving infrastructure could include a willingness to think "outside the box" to ensure needed infrastructure projects are accomplished. New funding methods should be considered to find the best methods to fund infrastructure needs.

ACEC KANSAS POSITION

ACEC Kansas supports considering funding options to provide robust funding for infrastructure across the state.

ACEC Kansas supports funding infrastructure to provide and maintain systems enabling Kansans to go about their daily lives safely and efficiently. This commitment will add jobs, save lives, and grow the Kansas economy.

ACEC Kansas opposes continued sweeps of funds previously dedicated to infrastructure.

4.0 PRIVATE SECTOR ENGAGEMENT

ACEC firmly believes private industry is in the best position to provide innovative, timely, and cost-effective services that best serve the public interest.

ACEC KANSAS POSITION

ACEC Kansas supports policies and legislation encouraging state and local agencies to contract out professional design services to private consultants.

STANDING POSITIONS:

1.0 ALTERNATIVE PROJECT DELIVERY

The traditional project delivery approach to design and construct infrastructure projects is often referred to as design-bid-build. In this approach, the client separately hires an engineering firm to design the infrastructure improvement such as a highway or building and a construction firm to build it. Alternative project delivery methods such as design-build, public-private partnerships (P3s), and construction-management-at-risk have proven successful when used for the right project and in the appropriate circumstance. Often, alternative methods are used to accelerate a project schedule, to take advantage of private financing, and/or to reduce total project cost. Both the traditional form of project delivery as well as newer mechanisms can be very effective depending on the specifics of each project and the needs of the agency client.



ACEC KANSAS POSITION

ACEC Kansas supports legislation that would allow alternative project delivery methods be used under appropriate circumstances.

2.0 CONTRACTING

Engineering firms routinely enter into written contracts - agreements that are enforceable by law - to provide services to both public and private sector clients. In addition to the offer of services for an agreed upon compensation, contracts typically include a wide range of terms that influence the risk each party undertakes in fulfilling the contract. Engineering firms seek to create terms that fairly and reasonably distribute risk between the parties and are consistent with insurance coverage available in the normal course of business. While the legal tenets of contracting are expressed through current statutes and case law, changes to state statutes can influence the fairness and reasonableness of contract terms.

Contract language that limits free market business practices such as mandating where services are performed or where a firm's employees live can negatively affect quality of service, innovation, period of performance, and resource allocation.

ACEC KANSAS POSITION

ACEC Kansas supports statutes and policies that result in contracts that are fair and reasonable for all parties involved. No statute or policy should shift the customary risks and responsibilities of one party to another nor allow terms that unduly risk the very solvency of either party.

ACEC KANSAS POSITION

ACEC Kansas opposes local preference or protectionist legislation, which mandates where employees live or where services are performed.

3.0 LICENSURE

ACEC Kansas supports specific technical licensure for qualified professionals in the disciplines of engineering, architecture, landscape architecture, land surveying, and geology as outlined by state statutes as well as the rules and regulations of the Kansas State Board of Technical Professions (KSBTP). In addition, ACEC Kansas supports proper and adequate funding for the operation of the KSBTP.

4.0 LABOR AND WORKERS' COMPENSATION/UNEMPLOYMENT INSURANCE

ACEC Kansas promotes the continuation of Kansas as a right-to-work state, and opposes any mandates that state contracts require a prevailing wage or the use of organized labor. We oppose local preference legislation in terms of the location of physical offices or individuals who work on state and local contracts. ACEC Kansas supports a fair and balanced system for workers' compensation and unemployment compensation.

5.0 WORKFORCE DEVELOPMENT AND EDUCATION

A crucial element of ACEC Kansas member firms' continued success is the ability to hire career-ready engineers and professionals. ACEC Kansas supports policies, programs, and adequate funding that will improve science, technology, engineering, and mathematics (STEM) education at every level. In addition, we support continued funding of the University Engineering Initiative Act (UEIA) to increase the number of undergraduate engineering degrees from the three Kansas research universities.

6.0 TAX POLICY

Recognizing the state's responsibility to provide essential and efficient government services, ACEC Kansas believes adequate state funds are necessary to continue infrastructure investment and workforce development through STEM initiatives. Therefore, ACEC Kansas supports a balanced, reasonable approach to tax policy that provides a positive business climate for our member firms.

Many of our member firms' success comes from state and local investment in capital infrastructure programs funded with taxpayer dollars. ACEC Kansas opposes tax, revenue, and spending lids that restrict legislative authority of state and local governments to make decisions regarding taxing and spending.

7.0 STATE BUILDING CODES

ACEC Kansas supports the consistency and certainty afforded by adoption of codes from the International Code Council and the National Electric Code (NFPA 70) without local or state amendments.

ACEC KANSAS MISSION:

The American Council of Engineering Companies of Kansas (ACEC Kansas) is the trade association representing private consulting engineering firms doing work in the State of Kansas. ACEC Kansas serves the needs of those firms and is dedicated to the promotion and development of the highest standards of professional competence and ethics.