



**Travel Industry
Association of Kansas**

**THE VOICE OF THE TRAVEL
INDUSTRY IN KANSAS**

April 2016

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TIAK TIMES

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2016 KANSAS TOURISM CONFERENCE



Are you ready for a trails adventure in Olathe? If so, then head on over to the TIAK website to get registered. Registration is now open at tiak.org/events/Kansas-tourism-conference, where you'll also find all of the conference information right at your fingertips.

The Kansas Tourism Conference is a highlight each year with inspiring speakers and networking opportunities. This year's event takes place October 17-19 in Olathe, at the all-new Embassy Suites and Conference Center.

Ready to book your hotel reservation? Then head to the TIAK conference webpage to round up the contact information. Curious about what to expect? The TIAK conference webpage has an agenda that's updated as soon as additions are made. Would you like to donate an item for the auction? The digital donation form is ready to go on the TIAK conference webpage. Feeling like a mentor? Be sure to make a donation on the TIAK conference page to help send a student to the conference. Interested in being a TIAK business partner and sponsoring the conference? The sponsorship brochure on the TIAK conference webpage highlights all of those opportunities.

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All trails lead to Olathe in October, so be a pioneer and register today at tiak.org/events/Kansas-tourism-conference. ■

TIAK MARKETING AWARDS—SAVE THE DATE



Do you have what it takes to promote your organization? If so, then plan to enter the 2016 TIAK Marketing Award contest. The goal is to recognize the outstanding marketing efforts of tourism throughout Kansas. Registration will open June 1, 2016 so start compiling your creativity for submission!

Not a TIAK member? Be sure to join today—you can even join under the “Taste of TIAK” advertised on the following page—because the Marketing Awards are limited to TIAK members only. ■

SOCIAL MEDIA WEBINAR

Please plan to join us for the next TIAK webinar on social media. Sheila Ellis-Glasper is a versatile digital and social media strategist, trainer and entrepreneur. She began her professional journey as a reporter for the Associated Press and Roanoke Times. Sheila realized the importance of using social media to build relationships and stay ahead of her competition during her reporting career.

After the birth of her son, Sheila switched gears in her career to become her own boss with the creation of inspirational jewelry and apparel business, Precious Heart Designs. She ships her products all over the world, with thousands of social media followers and celebrity endorsements solely through the power of social media.

Sheila is the former social media manager for Kansas State University. She currently works as a social media consultant for the Kansas Small Business Development Center and owns Sheila Ellis-Glasper Consulting LLC, providing social media consulting and management services to businesses worldwide.

Sheila earned a bachelor’s degree in mass communications from Kansas State University.

DATE: Friday, May 6, 2016 at 10 am

PRESENTER: Sheila Ellis-Glasper

COST: \$35 Members / \$45 Non-Members

REGISTER today at <https://tiak.org/event/social-media-webinar/>

Contact Kerry Green with questions at Kerry@VisitKansasCityKS.com. ■



May 1-7, 2016

WE HOPE YOU ENJOY
NATIONAL TRAVEL AND
TOURISM WEEK !

taste OF



Travel Industry
Association of Kansas

Travel Industry Association of Kansas (TIAK)

**Not sure if you should bite off more than you can chew?
Well, how about a little “taste” then?**

**Any new member can join TIAK in 2016 for just \$50!
This special “Taste of TIAK” is good for new members only,
and is being offered through the end of the year.**



Become a member today at
<https://tiak.org/tiak-membership/join-tiak/>
and start enjoying the benefits of
membership that only TIAK can offer!

“This membership program got me in the door. Once I was involved and attending the tourism conference, I saw the value of the networking opportunities and educational components. Our TIAK membership became a priority to my organization.”

—Board Member Roger Hrabe, Rooks County Economic Development Director

“TIAK has been a valuable partner with Kansas Travel & Tourism in gaining exposure for our industry. Through increased membership, our unified voice grows even stronger in leading the charge for the 3rd largest industry in the state: a relationship benefiting every Kansas community, large and small.”

—Linda Craghead,
Kansas Department of Wildlife,
Parks and Tourism Assistant Secretary



LEGISLATIVE UPDATE



The Kansas Legislature has been on a month-long break since March 25 and returned to Topeka on April 27 for the 2016 Veto Session. Due to this year's shortened legislative calendar, many conference committees ran out of time to meet and negotiate bills prior to the first adjournment. Several key issues still need resolution during the Veto Session, including the budget, school finance and taxes.

While conference committees will meet where they left off before first adjournment, the main focus of the Veto Session will be balancing the budget and ensuring that the Legislature's fix for equitable education funding is enough to satisfy the Supreme Court. Wednesday marks the 69th day of the legislative session. The goal is to adjourn before using the statutorily approved full 90-day session.

State Budget

Based on the revised estimates, the total adjustments needed to maintain a zero balance in the SGF for FY 2016 is \$140.1 million and \$151.3 million in FY 2017. The Governor's Budget Amendment (GBA) includes 19 adjustments to revenues and expenditures from this year's already-passed budget bill. Both the House Appropriations and Senate Ways and Means Committees have approved the GBA to be included in this year's final Omnibus appropriations bill to be taken up during the Veto Session.

Also included in the GBA are three options presented to the Legislature to balance the budgets for FY 2016 and 2017. All three options include moving \$70 million in sales tax revenues from KDOT into the SGF in the remaining months of this fiscal year and \$115 million in FY 2017. This would delay all new TWORKS projects planned for FY 2016 and FY 2017.

Option one—preferred by the Governor—includes a carry-over of the 3% reduction made to Universities in FY 2016 into 2017, which results in \$17.7 million in reduced expenditures. It also requests legislative approval to securitize future tobacco settlement payments in excess of \$42 million for a one-time gain of \$158 million in FY 2017. Children's programs currently funded through the Children's Initiative Fund would continue to receive funding of \$42 million per year.

Option two also includes the 3% cut to Universities in FY 2017, and adds \$25 million in targeted efficiency savings. Most importantly, option two would delay the FY 2016 fourth quarter KPERS payment and push repayment back to FY 2018, instead of October 2017 as approved in the budget bill.

Budget Facts

- Even though the consensus revenue estimates were revised down, the State of Kansas brought in more money this fiscal year than last fiscal year.
- The amount of revenue coming into the state continues to grow each year.
- State spending increased in FY 2016 and will increase again in FY 2017, even though revenue estimates were revised down.

Tax Facts

- The 2012 tax cuts included both an exemption for business income as well as a reduction in individual income tax rates.
- The first year of the tax cuts' income tax collections declined \$741 million.
- The decline in tax collections were attributed to:
 - Rate Reduction—\$498 million
 - Non-wage business income exemptions—\$209 million
 - Other—\$34 million

(Continued on page 5)

LEGISLATIVE UPDATE (CONT.)

(Continued from page 5)

Option three—least desired by the Governor—includes a 3% to 5% cut to most state agencies for FY 2017 that would total \$139.3 million in expenditures. Among the agencies that would see a 3% reduction include the Kansas Department of Education via general state aid for K-12 education. Lawmakers are concerned that such a cut would be problematic given that the Kansas Supreme Court has not yet ruled on the adequacy portion of the school finance lawsuit case.

Options one and two are one-time fixes to balance the two-year budget and rely on efficiencies found through the Alvarez & Marsal government efficiency study to solve the state's long term budget shortfall. The decision leaves the Legislature to make some tough decisions, especially in an election year, during the Veto Session.

Consensus Revenue Estimates

The Consensus Revenue Estimating Group met on April 20 to revise the November 2015 State General Fund (SGF) estimates for the Governor's two-year budget. They announced significant revenue shortfalls totaling \$228.6 million for fiscal years 2016 and 2017.

For FY 2016, the estimate was decreased by \$93.9 million, or 1.5% below the November estimate. Total taxes were decreased by \$177.1 million, while other revenues were increased by \$83.2 million. The overall revised estimate for receipts is \$6.1 billion, which is 2.4% above FY 2015 actuals.

For FY 2017, the estimate was decreased by \$134.7 million. Total taxes were decreased by \$170.7 million, while other revenues were increased by \$36 million. The overall revised estimate for receipts is \$6.15 billion, which is 1.3% above the new FY 2016 estimate.

During a joint committee of the House Appropriations and Senate Ways and Means Committees on April 21, Kansas Budget Director Shawn Sullivan cited a decrease in sales tax receipts as a contributing factor to the shortfall due to the deflation of durable goods, an increase in online sales, and a depressed oil and gas industry.

Taxes

High Performance Incentive Program (HPIP)

Senate Bill 506 was introduced in the Senate Taxation Committee on March 9 based upon a recommendation from the Alvarez & Marsal government efficiency study. The bill would amend current statute, removing the training program components for HPIP eligibility and includes a 10% haircut to the value of credits for tax years 2016 and 2017. HPIP provides tax incentives to employers for capital investment in facilities, technology and employee training and education. No hearings have been held on SB 506, but the Administration has expressed a desire to modify HPIP during the Veto Session in an attempt to limit claims during these tight financial times.

General Fund Tax Revenue Change			
Tax Type	FY2015	FY2016	FY2017
Motor Carrier	-68.8%	3.2%	4.3%
Individual Income	2.7%	2.1%	2.2%
Corporate Income	4.5%	-6.6%	1.5%
Financial Institutions	25.0%	-8.7%	8.1%
Retail Sales & Use	1.6%	6.8%	3.8%
Oil & Gas Severance	-25.9%	-74.3%	41.3%
Other Excise	1.8%	23.7%	-0.2%
Other	8.4%	-9.9%	2.1%
Total taxes	1.5%	2.6%	3.0%

Source: April 2016 Consensus Revenue Estimate

(Continued on page 6)

LEGISLATIVE UPDATE (CONT.)

(Continued from page 5)

Angel Investor Tax Credits

Senate Bill 149 (including contents of House Bill 2405) passed the House by a vote of 122-3 before Spring break. SB 149 extends the sunset of the Angel Investor Tax Credit program – which offers qualified investors transferable state income tax credits of 50 percent – by five years, from tax year 2017 to 2022. SB 149 includes several other amendments to income tax law and sits in Tax conference committee to be finalized during the Veto Session.



Property Tax Reform

Tax Lid/Public Vote Requirement

Senate Substitute for House Bill 2088 passed the Senate by a vote of 24-16 after five hours of debate on the floor and just days before the Legislature broke for Spring break. The bill modifies portions of a property tax reform package that was passed last year, including moving up the effective date from 2018 to January 1, 2017. Before property taxes can be raised higher than the rate of inflation, a vote of the public must take place. It also gives local governments more flexibility on timing, allowing the vote to be held as either part of primary and general elections, special elections, or mail ballots.

Cities and counties have been negotiating a compromise with the Kansas Association of Realtors and Kansas Chamber regarding a number of exemptions in the bill. However, talks were stalled in the Tax conference committee right before first adjournment after disagreement over several issues. Negotiators will hammer out differences during the Veto Session.

Valuation Appeals Process

House Substitute for Senate Bill 280 (including contents of House Bill 2714) passed the House by a vote of 123-0 prior to first adjournment. SB 280 requires that property must be valued based on the fair market value by the Board of Tax Appeals and not solely on a mass appraisal of the property, requires counties to follow valuation methods developed by the Property Valuation Division and clarifies that counties cannot take matters into consideration that occur after January 1 when establishing property tax valuation. SB 280 remains in Tax conference committee and will be taken up during the Veto Session.

Transportation

Governor Brownback has proposed a sweep of \$185 million of sales tax revenues from the Kansas Department of Transportation (KDOT) in his plans to help fill the state budget shortfall for fiscal years 2016 and 2017.

In a news release issued last week, KDOT announced that this cut will delay 25 planned modernization and expansion T-WORKS projects through 2019 at an estimated cost of \$553 million. Modernization jobs include the addition of shoulders, passing lanes and remediation of hills and curves. Expansion projects add capacity to the highway system. Preservation projects – which include pavement and bridge repair, resurfacing and replacement – will not be affected.

A large number of organizations are strongly opposing the cut to the state highway fund and are urging the Legislature to find other ways to balance the budget during the Veto Session. They argue that the T-WORKS program provides hundreds of jobs, spurs economic activity, and ensures safe roads for all Kansans. ■

T-WORKS CUTS KILL JOBS

From Economic Lifelines

Following dire predictions about the state budget, Economic Lifelines chief executive Michael Johnston, issued the following statement:

“This latest plan to continue the choke-hold on transportation funding is bad news for all Kansans. The T-WORKS program has been a proven job creator & has added value & economic activity during a time when our state has struggled. We urge Kansas legislators to go back to the drawing board and explore alternative methods to balancing the budget.”



Over the last six years, the transportation budget—taxpayer dollars which ensure the safety of Kansans and the viability of our economy—has been used to fill holes in the budget of various shapes and sizes. This has always come with the promise that critical transportation projects would not be impacted significantly. This time, the cut is too large and it is clear that the promise has been broken. With this latest announcement, the administration has finally owned up to the fact that their transportation policies have significantly impaired T-WORKS and killed good jobs. These policies have not delayed projects, they have effectively cancelled them.

It is time for legislators to understand the gravity of the situation and we call on them to find other ways to balance the state budget. [Here is a link to the full listing of projects affected by these cuts.](#) ■

CONSTITUTIONAL RIGHT TO HUNT



The Kansas Legislature passed **HCR 5008**, which proposes a state constitutional amendment for consideration at the next general election in November 2016. That amendment, if approved by a majority of Kansas voters, would establish a constitutional right to hunt, fish, and trap wildlife in the state.

The amendment would add a new section to the Bill of Rights in the *Kansas Constitution* to create the constitutional right of the public to hunt, fish, and trap wildlife. The amendment would specify the people have the right to hunt, fish, and trap by traditional methods, subject to reasonable laws and regulations that promote wildlife conservation and management and that preserve the future of hunting and fishing. The amendment also would specify that hunting and fishing shall be the preferred means for managing and controlling wildlife, and the amendment would not be construed to modify any provision of law relating to trespass, property rights, or water resources. ■

6-YEAR-OLD PRESIDENTIAL WHIZ NOW PROMOTING KANSAS TOURISM

From [The Wichita Eagle](#)



For a little less than a third of her life, Macey Hensley has been an American president expert. She is 6. A farmgirl from Council Grove, she has—within that past 18 months—made several appearances on the “Ellen DeGeneres Show,” become an Internet sensation, met President Obama and asked him whether there really was a “book of secrets” and whether aliens are real. She now has her own presidential seal and Hillary Clinton pantsuit.

She also has become the spokesgirl for Kansas tourism, filming online videos and television commercials to promote the state, including a spot at [Wichita’s Exploration Place](#).

On Monday, she was at the George W. Bush Library in Dallas with her mom before grabbing supper at a McDonald’s in the Dallas/Fort Worth International Airport and catching a plane back to Manhattan. On Thursday, she will be in Los Angeles taping another show with DeGeneres, likely to air on Monday.

As many of her followers already know, her favorite U.S. president is Zachary Taylor, the 12th president. “He drank two full glasses of milk and ate cherries that most people thought were poisoned,” she says of his untimely death in 1850.

Her second favorite is Dwight D. Eisenhower. [She likes Ike](#). She also likes President Herbert Hoover’s vice president, Charles Curtis. Like Macey, “he was actually from the Council Grove area,” she says.

This past weekend, [she took Facebook by storm](#). She is featured in three videos and television commercials for Kansas tourism. She has filmed at Abilene’s [Dwight D. Eisenhower Presidential Library](#), Museum and Boyhood Home; [Wichita’s Exploration Place](#); and the [Kansas State Capitol](#) in Topeka.

“We’re pretty excited on how viral this is going so far on Facebook,” [Kelli Hilliard](#), travel development manager for the Kansas Travel and Tourism department, wrote in an e-mail to The Eagle on Monday. “In just 5 hours the Eisenhower video has been shared 306 times, viewed over 16,000 times and has reached over 41,000 people.” Hilliard said the 6-year-old and her mother were reimbursed for travel expenses for filming the state videos.

Macey has brought national recognition to Council Grove and to Kansas. Last year, she was named the first recipient of Kansas’ Finest Junior Award through Kansas magazine, Hilliard said. “We thought ‘what a great opportunity to get us involved in our promotion of the things of Kansas,’” Hilliard said. Macy’s mom, Nichole, accompanies Macey on all her travels. “Until her dad learns how to do her hair—and I’m not teaching him anytime soon—I go with her,” Nichole Hensley said.

How it began

Two years ago, Macey’s grandmother Marsha Hensley bought her a set of U.S. presidents flash cards in the dollar bin at a local Target. Macy became enthralled with the presidents, the vice presidents, their wives and any other presidential information she could glean.

(Continued on page 10)

TRAVEL INDUSTRY ADDED JOBS FOR NINTH CONSECUTIVE MONTH IN MARCH

From [US Travel](#)

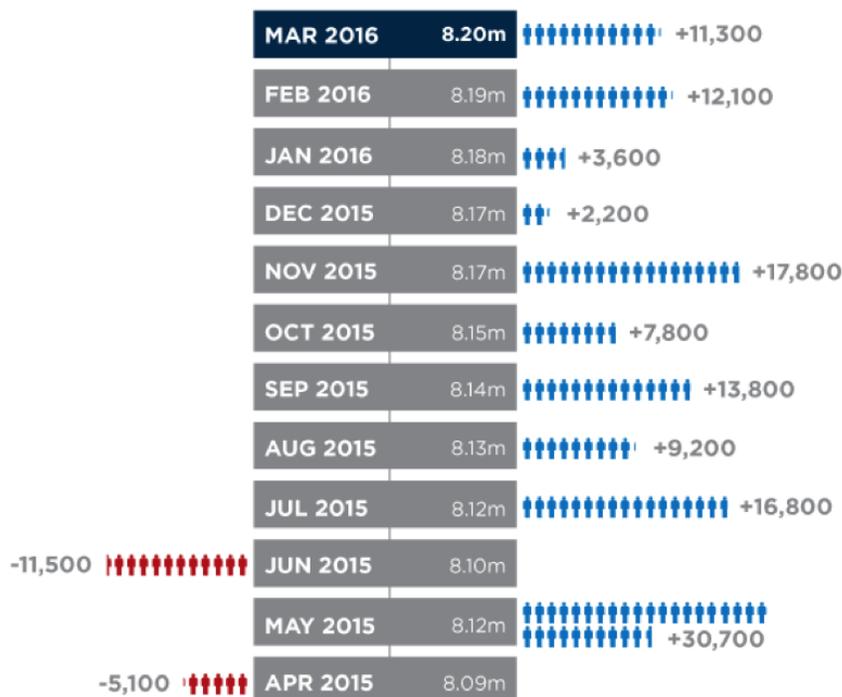
The travel industry added 11,300 jobs in March, and total travel employment remains steady at its January record of 8.2 million total U.S. jobs. The job increases were seen in nearly all travel-related industries, including food and beverage service, arts/entertainment, recreation, lodging and retail.

U.S. Travel’s analysis is based on a recent [U.S. Department of Labor employment report](#), which indicates that despite a slight uptick, U.S. unemployment hovered around its previous low of just under five percent. U.S. Travel’s economic research team also found that the travel industry created jobs in America for the ninth month in a row.

Overall, the travel industry has been a consistent employment driver in the U.S., adding new jobs 18 out of the last 20 months. Since the post-recession employment recovery began in early 2010, travel has outpaced job creation in the rest of the economy by 22 percent. One in nine American jobs are supported by the travel industry.

This growth can likely be attributed to a strong domestic leisure travel market, buoyed by factors such as lower gasoline prices and an improving labor market in the U.S. The monthly [Travel Trends Index report](#) will provide greater insight into travel industry trends and expected growth throughout the rest of 2016. ■

Monthly Travel Employment



Source: U.S. Travel Association based on Bureau of Labor Statistics data

WHITE PAPERS



There’s a new addition to the Resources Section of the TIAK website: White Papers.

Our Education Committee has researched and collected white papers on various topics. Current White Paper listings include:

- The State of the American Traveler
- EppersonDest Product Development: A Review and Analysis of the Role of CVBs in Destination Product Development
- Destination Brand Building
- Five Destination Branding Principles to Boost Economic Recovery
- Toll Advocacy: It’s Not Just For a Crisis
- Amadeus: Shaping the Future of Travel—Macro trends driving industry growth over the next decade

All of these white papers can be found on the TIAK website at: www.tiak.org/resources/white-papers-reports. Be sure to check them out!

6-YEAR-OLD PRESIDENTIAL WHIZ (CONT.)

(Continued from page 8)

Her first appearance as a presidential scholar was at Mary Myers' eighth-grade history class in Council Grove. Wearing a George Washington costume, white wig and tricorne hat, she wowed the class for about 17 minutes. She was videotaped, and the video was sent to DeGeneres.

The rest is history. And as far as the future, Macey already has announced her own intentions to run for president. ■

TOURISM AT KANSAS NATIONAL PARKS CREATES \$7.3M ECONOMIC BENEFIT

From KSNT.com

A new National Park Service report shows that, in 2015, 20.66 million visitors to national parks in the NPS' Midwest Region spent \$1.3 billion in communities within 60 miles of a national park site. That spending subsequently supported 22,818 jobs, which are mostly local, and provided a \$2 billion benefit to the region's economy.

The NPS' Midwest Region includes Kansas and one of its national parks, the Brown v. Board of Education National Historic Site, is in Topeka.

In Kansas, there was a total of 115,901 recreational visitors who spent a total of \$5.7 million, supporting 92 jobs and contributing \$7.3 million benefit to the state's economy.

"The national parks of the Midwest Region attract visitors from across the country and around the world," said NPS' Midwest Region Director Cam Sholly. "Whether they are out for an afternoon, a school field trip, or a month-long family vacation, visitors come to have a great experience, and end up spending a little money along the way.

The peer-reviewed visitor spending analysis was conducted by Catherine Culinane Thomas with the U.S. Geological Survey and Lynne Koontz of the National Park Service. Both are economists.

For the whole U.S., the report shows \$16.9 billion in direct spending by 307.2 million visitors in communities within 60 miles of a national park. This spending supported 295,000 jobs, 252,000 of which are found in gateway communities. The cumulative benefit to the U.S. economy was \$32 billion.

"this new report shows that national park tourism is a significant driver in the national economy—returning \$10 for every \$1 invested in the National Park Service—and a big factor in the Midwest Region state economies as well," said Sholly. "That's a result we can all support." ■

CALENDAR OF EVENTS (CLICK ON EACH LINK FOR MORE INFORMATION):

May 6, 2016

Social Media webinar

May 17, 2016

TIAK Executive Cmte Mtng
Olathe, Kan.

June 9, 2016

TIAK Board Meeting
Economic Dev. Seminar
Pittsburg, Kan.

July 14, 2016

TIAK Executive Cmte Mtng

August 5, 2016

Facility Marketing Seminar
Garden City, Kan.

August 11, 2016

TIAK Board Meeting

September 2, 2016

Agritourism webinar

September 8, 2016

TIAK Executive Cmte Mtng

October 17-19, 2016

Kansas Tourism Conference
Olathe, Kan.

November 4, 2016

Engaging Your Community
webinar

Travel Industry Association
of Kansas

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www.tiak.org



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