

MINUTES OF THE HOUSE COMMERCE, LABOR AND ECONOMIC DEVELOPMENT
COMMITTEE

The meeting was called to order by Chairperson Mark Hutton at 1:30 pm on Wednesday, January 21, 2015, 346-S of the Capitol.

All members were present

Committee staff present:

Reed Holwegner, Legislative Research Department
Linda Herrick, Kansas Legislative Committee Assistant
Jason Thompson, Office of Revisor of Statutes
Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Pat George, Secretary of Commerce

Others in attendance:

[See Attached List](#)

Presentation on:

Commerce Department Overview and Special Initiatives

Pat George, Kansas Secretary of Commerce, presented an overview and special initiatives of the Commerce Department ([Attachment 1](#)). He noted the Department works more with existing businesses to help grow the economy rather than with new businesses. Two divisions comprise the Commerce Department, Business and Community Development; and Workforce Services.

The Business and Community Development Division focuses on growing the Kansas economy through creation and retention of jobs. Community development programs help make Kansas communities, particularly rural areas, strong and vibrant. This division also works to expand Kansas export markets. Secretary George said this division continues to reach out to bring back jobs that were exported to other countries over the years through a new reshoring program initiated in 2014 called The Kansas Edge. Costs are competitive and because of other logistic problems that were not anticipated (language barriers), companies are open to these discussions. Commerce works with the Governor's Economic Council to grow the dollars that flow into the state.

The Workforce Services Division links businesses, job candidates, and educational institutions to ensure employers can find skilled workers. The Commerce Department works with the Departments of Agriculture; Labor; and Wildlife and Parks in this endeavor. Secretary George noted economic development involves many unanticipated tasks, so the Commerce Department welcomes any assistance or leads.

The Commerce Department also oversees the Kansas Athletics Commission and the Kansas Creative Arts Industries Commission.

CONTINUATION SHEET

MINUTES of the Committee on Commerce, Labor and Economic Development at 1:30 pm on Wednesday, January 21, 2015, 346-S of the Capitol.

Secretary George added that one of the programs the Commerce Department has established is the KanVet program to assist soldiers returning from overseas to get back into the workforce. Secretary George noted there are many programs, and the web site ties them together for both employment resources and educational information. Agencies involved in addition to Commerce are Labor; Children and Families; Kansas Commission on Veterans Affairs; Kansas Board of Regents; and the Kansas Adjutant General's Office.

Secretary George also distributed the Legislative Post Audit Highlights on Economic Development: Determining which Economic Development Tools are Most Important and Effective in Promoting Job Creation and Economic Growth in Kansas, Part 3 dated December 2014, which is part of the attachment.

After the conclusion of his presentation, Secretary George gave these answers to questions:

--There are 11 Business Development people who work with local economic development teams. Sometimes, the local team brings the project to the Business Development Division, and other times, a call is received from a consultant involving a national company that wishes to expand. The Topeka Mars Plant received the most attention as it began to look at 40 states to place their newest plant in 35 years.

--As for cash incentives, there is more incentive geared toward manufacturing and the businesses that are already here.

--The Governor has had an interest to grow jobs in rural parts of Kansas. The Rural Opportunity Zones (ROZ) program is not quite finalized.

--There are huge sums of economic development money (\$5 million per year) going to research grants at Kansas University Medical Center. Local government there is working with KUMC to see that the dollars are used as efficiently as possible.

--When marketing Kansas, dinners and events are hosted monthly, and industry is represented. Contracts exist with persons in New York, Chicago, and California to assist in promoting business to our state. The Governor's Economic Council suggested a logo or program be utilized to promote business to Kansas and that is currently being considered.

--Some gun companies are moving out of the northeast and relocating, and Commerce has contacted all of them. However, it is very expensive to move a manufacturing company, and Kansas could not offer a big enough incentive.

--The Commerce Department is working with the City of Wichita in developing exports especially with

CONTINUATION SHEET

MINUTES of the Committee on Commerce, Labor and Economic Development at 1:30 pm on Wednesday, January 21, 2015, 346-S of the Capitol.

China, and in the last year, this effort has increased. A three-person panel reviewed the process, and the Governor has approved it. Trips have been made to China.

Approval of Committee Rules

On January 15, this Committee was furnished House Commerce Committee Rules and Conferee Guidelines. Chairperson Hutton asked for a motion to adopt the rules.

Representative Brunk moved, seconded by Representative Mason, to adopt the House Commerce, Labor, and Economic Development Committee Rules. The motion passed.

Possible bill introductions

Chairperson Hutton asked if there were any bills to be introduced.

Representative Claeys moved, seconded by Representative Couture-Lovelady, to introduce a bill related to teacher union contract negotiations. The motion passed.

It was asked if there any other bills to be introduced. There were none.

Adjournment

The meeting adjourned at 2:30 p.m. The next meeting will be Thursday, January 22.