

## MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Julia Lynn at 8:30 am on Tuesday, January 26, 2016, 548-S of the Capitol.

All members were present except:

Senator Tom Holland – Excused

Committee staff present:

Debbie Bartuccio, Kansas Legislative Committee Assistant

Reed Holwegner, Legislative Research Department

Edward Penner, Legislative Research Department

Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Luke Bell, General Counsel and Vice President of Governmental Affairs, Kansas Association of Realtors

Stan Ahlerich, Executive Director, Governor's Council of Economic Advisors

Others in attendance:

[See Attached List](#)

Senator Olson moved, seconded by Senator Baumgardner, to approve the minutes of January 13, 2016. The motion passed.

### **Possible bill introductions**

Chairperson Lynn asked if there were any bill introductions.

Luke Bell, General Counsel and Vice President of Governmental Affairs, Kansas Association of Realtors, requested legislation that would prohibit cities and counties from adopting price control mandates on the purchase or sale of private property. ([Attachment 1](#))

Senator Olson moved, seconded by Senator Pilcher-Cook, to introduce the bill. The motion passed.

### **Presentation on:**

Chairperson Lynn recognized Stan Ahlerich, Executive Director, Governor's Council of Economic Advisors, who provided an update on the Council's activity. ([Attachment 2](#)) He reviewed information concerning Kansas' Comprehensive Economic Plan, national and regional headwinds, U.S. Gross Domestic Product, Kansas' population, workforce, and manufacturing challenges.

Mr. Ahlerich stated a Comprehensive Economic Plan is needed to: build an environment conducive to investment and growth; support inherent industry clusters; ensure government is right sized and efficient; and leverage resources to compete in a global and regional economy.

## CONTINUATION SHEET

MINUTES of the Committee on Commerce at 8:30 am on Tuesday, January 26, 2016 in Room 548-S of the Capitol.

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In 1890, Kansas had 2.27% of the U.S. population. Now, Kansas has less than 1% of the U.S. population. He stated Kansas is highly dependent upon manufacturing with 11.5% of Kansans working in this sector. Manufacturing's role in Kansas is significantly greater than in some neighboring states, and accounts for 15.9% of the state's gross product.

Mr. Ahlerich said Kansas' economic growth plan is comprehensive with many different components. It is flexible, responsive to business needs, efficient, and responsible with taxpayer dollars, to meet continually changing demands.

Senator Lynn noted Mr. Ahlerich's comment concerning the Midwest being the destination point in twenty years, and asked what ideas are being brought to the table by the Governor's Council to attract business now. Mr. Ahlerich replied the focus has been on methods to acquire talent to Kansas. He also noted the importance of ease of doing business and the regulatory environment.

Senator Olson asked about the loss of manufacturing jobs in Kansas. Mr. Ahlerich stated a large portion of Kansas manufacturing has been in the aviation sector. While general aviation has made a comeback, the small jet business has not done so. He said businesses took the opportunity during the recession to tighten up their expenses, and to take advantage of innovations in technology.

Senator Faust-Goudeau expressed concerns about the decreasing state population and the need to keep our young people in the state. She inquired what is being done to provide affordable training to all ages. Mr. Ahlerich responded marketing efforts are being developed, focusing on the universities and military sites, promoting the benefits of living in Kansas. He stated Kansas wears well, and often those who leave the state, decide to return to the state to raise their families. Concerning training, he noted the successes of the Workforce AID program; however, he said the program would benefit from funding.

There were no other questions.

Chairperson Lynn adjourned the meeting at 9:19 a.m. The next meeting is scheduled for January 27, 2016.