

MINUTES OF THE House COMMITTEE ON Communication, Computers and Technology

The meeting was called to order by Representative Mike Meacham at
Chairperson

3:30 ~~xxx~~ p.m. on March 3, 1983 in room 522-S of the Capitol.

All members were present except:

Committee staff present:

Marlin L. Rein, Chief Legislative Fiscal Analyst, Committee Staff Director
Sherry Brown, Fiscal Staff, Research Department
Chris Stanfield, Fiscal Staff, Research Department
Arden K. Ensley, Revisor of Statutes
Betty Ellison, Secretary to the Committee

Conferees appearing before the committee:

Senator James Pearson, Chairman of the Governor's Task Force on
High Technology Industrial Development

Chairman Meacham announced that the committee would not take up
HB 2421 this year.

Hearings were reopened on HB 2442 in order to hear Senator James
Pearson, Chairman of the Governor's Task Force on High Technology
Industrial Development. Printed copies of the Senator's testimony
in favor of the bill were presented to the committee. (Attachment 1)

Senator Pearson emphasized that the very heartbeat of technology
development now is in research. He felt that the money with the
matching funds and partnership concept envisioned by this bill
would create a perception which is essential as Kansas competes
with other states in this area. The Senator said that the bill
seems to be appropriate in its mechanism and structure.

Staff distributed a summary on HB 2259, HB 2311, and HB 2442, along
with copies of the amended balloon form of HB 2311. (Attachments 2
and 3). Representative Chronister explained that when she had
spoken of biotechnical, it had been used as a generic term; what
she had intended was that it include biological and technical types
of fields in order to give it as broad as possible an interpretation.
She then suggested that the term "advanced technology institute" be
amended to "Advanced Technology Commission" as indicated in the
balloon form. This change would be made throughout the bill. Other
amendments were on page 1, letter c; page 3, section 2, page 3,
line 112; page 4, line 133; page 4, line 147.

A motion was made by Representative Chronister and seconded by
Representative Cobb to adopt the amendments.

Other amendments made by the committee included:

On lines 119 and 123, strike "equipment".
On line 154, strike "equipment and".
On line 155, change "institute" to "commission".
On line 156, strike "and equipment".
Strike all of line 56, following "governor" and
line 57 through the comma after "statute".
Strike all of line 51 following "regents,", all
of line 52, and the word "development" on line 53
and conceptually insert "Speaker of the House's
appointee and President of the Senate's appointee".

The committee asked the Revisor to restructure the sentence which
begins on line 147 and say in effect, "for this purpose they shall
match, not to exceed . . .".

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Communication, Computers and Technology
room 522-S, Statehouse, at 3:30 ~~am~~/p.m. on March 3, 1983

A vote was taken on the motion to adopt the amendments and the motion carried.

Representative Chronister moved and Representative Cobb seconded that HB 2311 be passed as amended. The motion carried.

Representative Dean moved and Representative Chronister seconded to amend HB 2442 conceptually to appropriate \$1.5 million under this program to the Board of Regents to fund the Governor's proposal on high technology partnership grants.

The committee made the following additional amendments to the bill:

In section 4, lines 82 and 83, include "or an affiliated research corporation".

On line 134, change "section 4" to "section 3".

A vote was taken on the motion and the motion carried.

Representative Friedeman moved the insertion of section (d) of an amendment submitted on March 2 by Bob Kelly which states:

"(d) "Postsecondary educational institution" means (1) any state educational institution under the control and supervision of the board of regents, (2) any community college established under the laws of this state, (3) the municipal university established under the provisions of article 13a of chapter 13 of Kansas Statutes Annotated, and (4) any accredited independent institution as defined in K.S.A. 72-6107 and amendments thereto."

The motion was seconded by Representative Adam. The motion carried.

Representative Branson moved that on line 49, "related biotechnical processes," be added following "biochemistry,". Representative Chronister seconded the motion. The motion carried.

Representative Dean moved to pass HB 2442 out favorably as amended. Representative Green seconded. The motion carried.

Representative Friedeman made a conceptual motion to amend HB 2293, in that the public television boards would be able to make grants to radio stations that have community licensees and that would not include those who have educational institutional licensees. Representative Chronister seconded the motion. The motion carried.

Representative Rolfs moved that HB 2293 as amended be reported adversely. Representative Dean seconded the motion. The motion carried.

The meeting was adjourned by the chairman at 4:15 p.m.

Testimony of
Senator James Pearson, Chairman
Governor's Task Force on High Technology Development

on

House Bill No. 2442
Committee on Communication, Computers and Technology

March 3, 1983

CHAIRMAN MEACHAM AND MEMBERS OF THE HOUSE COMMITTEE ON
COMMUNICATION, COMPUTERS AND TECHNOLOGY:

I am Senator James Pearson appearing before you in my capacity as Chairman of the Governor's Task Force on High Technology Industrial Development.

The Task Force is currently working to develop recommendations for a comprehensive strategy for high technology development in Kansas. While our work is not yet complete, we have reached a consensus of opinion that basic to all other components of a strategy and critical to high technology development is the quality and quantity of significant research in the several areas of advanced technology in our state institutions.

The workings of technological progress can best be understood in five related phases:

1. basic research
2. applied research
3. testing and refinement to determine commercial practicality
4. full-scale production, and
5. diffusion of the innovation throughout the economy by replication at other plants.

Clearly, without the basic and applied research components, the technological process is not developed.

There is much good research being done in Kansas, particularly in our three major state universities and the current state of its progress is not to be taken lightly. We have research programs of major significance in the areas of pharmaceutical chemistry, biological sciences, engineering, agricultural science and the aerospace areas.

However, a 1982 survey of 691 high technology firms by the Joint Economic Committee of Congress revealed that among these firms, the perception of the universities in our region (mountain & Plains) rated the lowest in the nation. At the same time, the nationally recognized Gourman Report ranks Kansas graduate institutions among the nation's best.

Our task is clear: to change the commonly held perception among high technology industries.

I urge you to pass House Bill 2442 which established the High Technology Research Partnership Program and to support the accompanying appropriation of \$1.5 million to fund this matching grant program.

This action will speak loudly and clearly to high technology industries across the nation that there is public support in Kansas of high technology development; that we are actively involved in efforts to develop an environment supportive of advanced technology development.

The point is not so much that the \$3 million will make a significant impact on our research capability; advanced technology research is tremendously costly as others before me have attested here and as you know from your visits to the universities. But the symbolic gesture you make in establishing and funding this program will be of significant value as a statement of public policy and as the basis for a high technology development strategy.

I urge your support of this research partnership program and of the trade-offs that are required to fund the program in these economic times. I am convinced of the value of this effort to the people of Kansas.

	2259	2311	2442
Committees	9 members: 6 Governor appointed; 1 President of Senate appointment; 1 Speaker of House appointment; 1 Secretary of Economic Development appointment.	9 members: 5 Governor appointed; 1 appointment by each of Board of Regents, Board of Education, Advisory Commission of KDED, Secretary of KDED.	7 members: 3 Governor appointed; Lt. Governor, Secretary of KDED, 1 President of Senate appointed, and 1 Speaker of House appointed.
Initial Priority	Bio-Technical Sciences.	Electronics and Related Programs.	High Technology Research Projects.
Matching Fund Sources	From private, nongovernmental sources.	Contributions of equipment and money made by private industry and other private sources.	From sources other than the state, the federal government, student fees, institutional endowment or other moneys used to fund the operating budget of the university.
Matching Percentages	50/50	50/50	50/50
Fiscal Note Summaries	\$1,000,000 of SGF \$6,100 for travel and miscellaneous costs	\$8,600 for travel and subsistence of advisory commission and KDED staff. Establishes centers of excellence for specialties at various campuses of the institutions.	\$1,500,000 of SGF in Board of Regents. No fiscal note submitted by Division of Budget.

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HOUSE BILL No. 2311

By Representative Meacham

2-9

0017 AN ACT establishing a Kansas advanced technology institute
0018 within the department of economic development; and pre-
0019 scribing its membership, purpose and objectives, powers,
0020 duties and responsibilities.

Commission

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. (a) There is hereby created within the department
0023 of economic development a Kansas advanced technology insti-
0024 tute, referred to in this act as the "institute." The institute shall
0025 promote, develop and coordinate education and research pro-
0026 grams in fields of advanced technology.

Advanced Technology Commission
Commission
Commission

0027 (b) The institute shall seek to improve the quality and the
0028 quantity of graduates from Kansas institutions of higher educa-
0029 tion in fields of advanced technology, to further the research
0030 capabilities of Kansas institutions of higher education, to provide
0031 incentives to attract and retain superior faculty members at such
0032 institutions and to enhance the economic health of the state of
0033 Kansas through encouraging investment by both governmental
0034 and private sources in educational programs which promote
0035 advanced technology education and research development.

Commission

0036 ~~(c) The institute shall place its initial priority in the area of~~
0037 ~~electronics and related programs. Programs in other fields of~~
0038 ~~advanced technology shall be developed as soon as feasible.~~

(c) The Commission shall place priority on those programs and projects that will enhance employment opportunities and stimulate high technology economic development in the areas of agricultural and industrial processes, biochemistry and related biotechnical processes, computers, engineering, natural resources and telecommunications. (See lines 047-050) of H.B. 2442.

0039 (d) The institute shall exercise its powers and perform its
0040 duties and functions specified in this act, within and as a part of
0041 the department of economic development. All budgeting, pur-
0042 chasing and related management functions of the institute shall
0043 be administered under the direction and supervision of the
0044 secretary of economic development. All vouchers for expendi-
0045 tures and all payrolls of the institute shall be approved by the

Commission

Commission

0046 ~~chairperson of the advisory commission and the~~ secretary of
0047 economic development.

0048 Sec. 2. (a) ~~The institute shall be administered by the ad-~~
0049 ~~vanced technology institute advisory commission, referred to in~~
0050 ~~this act as the "commission," which shall consist of nine com-~~
0051 missioners. The state board of regents, the state board of educa-
0052 tion, the advisory commission to the department of economic
0053 development and the secretary of economic development shall
0054 each appoint one commissioner, who shall serve at the discretion
0055 of the appointing authority. Five commissioners shall be ap-
0056 pointed by the governor and confirmed by the senate in the
0057 manner prescribed by K.S.A. 1982 Supp. 75-4315b, from a list of
0058 persons knowledgeable in advanced technology fields submitted
0059 to the governor by groups which represent advanced technology
0060 businesses. These five commissioners shall represent advanced
0061 technology industries and associated businesses and at least one
0062 of the five commissioners shall be a representative of a small
0063 business enterprise.

0064 (b) The term of each commissioner appointed by the gover-
0065 nor shall be for four years, except that, of such commissioners
0066 first appointed, two commissioners shall be appointed for terms
0067 of two years and three commissioners shall be appointed for
0068 terms of four years. A member appointed or designated to fill a
0069 vacancy arising other than by expiration of such member's term
0070 shall be appointed for the unexpired term of the commissioner
0071 such member is to succeed. A commissioner shall be eligible for
0072 reappointment for one four-year term.

0073 (c) Commissioners shall serve without compensation but
0074 shall be entitled to receive subsistence allowances, mileage and
0075 expenses as prescribed by subsections (b), (c) and (d) of K.S.A.
0076 75-3223.

0077 (d) The commission shall elect a chairperson and vice-chair-
0078 person from its members; the member appointed by the secre-
0079 tary of economic development shall serve as secretary of the
0080 commission and the commission may create and fill such other
0081 offices as it may determine. The commission shall adopt such
0082 rules and regulations governing its procedure as it may consider

Commission

0084 which record shall be open to inspection by the public at all
0085 reasonable times.

0086 Sec. 3. (a) The commission shall:

0087 (1) Assess the long-range goals and capabilities of Kansas
0088 institutions of higher education concerning education and re-
0089 search in fields of advanced technology;

0090 ~~(2) analyze the impact the institute will have on the economy~~
0091 ~~of Kansas and how the institute can best nurture the economic~~
0092 ~~advancement of advanced technology industries in Kansas;~~

(2) respond to requests that best nurture the economic advancement of advanced technology industries in Kansas,

0093 (3) establish priorities for the distribution of ~~equipment and~~
0094 ~~moneys~~ available to the ~~institute~~ according to its assessment of
0095 the long-range goals and capabilities of institutions of higher
0096 education as determined pursuant to paragraph (1) of this sub-
0097 section and according to its analysis of economic impact as
0098 determined pursuant to paragraph (2) of this subsection;

Commission

0099 (4) establish a system to determine the needs of advanced
0100 technology industries and a peer review process among institu-
0101 tions of higher education;

0102 (5) make distribution of ~~equipment and~~ moneys among such
0103 institutions based upon its established priorities.

0104 (b) Additionally, the commission shall:

0105 (1) Administer the flow of ~~equipment and~~ money available to
0106 the institute by the use of individual institutional accounting
0107 structures;

0108 (2) receive annual reports from the various institutions on the
0109 use of allocated funds ~~and equipment~~ and consolidate such
0110 reports into an annual report to be presented to the legislature.

which it receives directly

0111 (c) (1) The commission is specifically empowered to receive
0112 and expend all grants, gifts and bequests, specifically including
0113 state and federal funds and other funds available for the purposes
0114 for which the ~~institute~~ exists and to contract with the state of
0115 Kansas, the United States and all other legal entities with respect
0116 thereto. The commission may accept or provide, within the
0117 limitations of its budget, matching funds wherever grants, gifts,
0118 bequests and contractual assistance are available on such basis.

Commission

0119 (2) Contributions of advanced technology equipment, grants,

0120 gifts or bequests from an advanced technology company to the
0121 ~~institute~~ may be designated to or accepted for use by a specific
0122 institution of higher education or may be nondesignated.

Commission

0123 (3) Any nondesignated equipment, grants, gifts or bequests
0124 received by the institute shall be utilized for advanced technol-
0125 ogy industry-generated research to be conducted in equipped
0126 laboratories at institutions of higher education and for maintain-
0127 ing state-of-the-art laboratory equipment at such institutions.

0128 (d) The priorities established pursuant to paragraph (3) of
0129 subsection (a) of this section shall take into account the following
0130 objectives:

0131 (1) The avoidance of unnecessary duplication of programs,
0132 particularly at the graduate level of instruction;

0133 (2) the establishment of centers of excellence for specialties
0134 at various campuses of the institutions/

with particular emphasis on equipment and personnel needs of the center;

0135 (3) the consideration of industry needs for technical training,
0136 associate degree, baccalaureate level and graduate level training
0137 and for in-service and continuing education provided by post-
0138 secondary education;

0139 ~~(4) the determination of the types of equipment needed for
0140 developing the electronics engineering phase of the institute,
0141 where various types of equipment should be located and
0142 whether the equipment will need to be purchased by the state or
0143 whether industry will be willing to provide such equipment;~~

(4)

0144 (5) the coordination of proposals emerging from the plan with
0145 the program approval process of the secretary of economic de-
0146 velopment.

both regional and subject matter

0147 (e) The commission may appoint advisory committees or
0148 individuals to advise and assist the commission and suggest
0149 solutions for the problems and needs of advanced technology
0150 industries and institutions of higher education.

Commission

0151 Sec. 4. The accomplishment of the purposes of the ~~institute~~
0152 will be achieved only with a continuing commitment by the state
0153 to fund the ~~institute~~ and to match, on an equal basis, the con-
0154 tributions of equipment and money made by private industry
0155 and other private sources to the institute in order to assure the
0156 state-of-the-art level of programs and equipment previously at-

Commission

Sec. 5. This act shall take effect and be in force from and
0159 after its publication in the statute book.

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your committee on Communication, Computers and Technology

Recommends that House Bill No. 2311

"AN ACT establishing a Kansas advanced technology institute within the department of economic development; and prescribing its membership, purpose and objectives, powers, duties and responsibilities."

Be amended:

On page 1, in line 23, by striking "insti-"; in line 24, by striking "tute" and inserting "commission"; also in line 24 by striking the word "institute" both times it appears in the line and inserting in lieu thereof "commission"; in line 27, by striking "institute" and inserting "commission"; by striking all of lines 36 to 38, inclusive, and inserting in lieu thereof the following:

"(c) The commission shall place priority on those programs and projects that will enhance employment opportunities and stimulate high technology economic development in the areas of agricultural and industrial processes, biochemistry and related biotechnical processes, computers, engineering, natural resources and telecommunications.";

Also on page 1, in line 39, by striking "institute" and inserting "commission"; in line 42, by striking "institute" and inserting "commission"; in line 45, by striking "and all payrolls of the institute";

On page 2, in line 46, by striking all preceding "secretary"; in line 48, by striking all after "The"; by striking all of line 49; in line 50, by striking all preceding "shall" and inserting "commission"; in line 51, by striking all after the comma; by striking all of line 52; in line 53, by striking all preceding "and" and inserting "the speaker of the house of representatives, the president of the senate"; in line 56, by

striking all after "governor"; in line 57, by striking all preceding "from";

On page 3, by striking all of lines 90 to 92, inclusive, and inserting in lieu thereof the following:

"(2) respond to requests that best nurture the economic advancement of advanced technology industries in Kansas,";

Also on page 3, in line 93, by striking "equipment and"; in line 94, by striking "institute" and inserting "commission"; in line 102, by striking "equipment and"; in line 105, by striking "equipment and"; in line 109, by striking "and equipment"; in line 112, after "bequests" by inserting "which it receives directly"; in line 114, by striking "institute" and inserting "commission"; in line 119, by striking "equipment,";

On page 4, in line 121, by striking "institute" and inserting "commission"; in line 123, by striking "equipment,"; in line 134, preceding the semicolon by inserting "with particular emphasis on equipment and personnel needs of the center"; by striking all of lines 139 to 143, inclusive; in line 144, by striking "(5)" and inserting "(4)"; in line 147, after "appoint" by inserting "both regional and subject matter"; in line 151, by striking "institute" and inserting "commission"; in line 153, by striking "institute" and inserting "commission"; also in line 153, by striking ", on a equal basis,"; in line 154, by striking "equipment and"; in line 155, by striking "institute" and inserting "commission"; in line 156, by striking "and equipment";

On page 5, in line 157, after the period by inserting "For this purpose the commission is hereby authorized to match contributions from private sources with moneys made available to the commission for such purpose on not to exceed an equal basis.";

In the title, in line 17, by striking "institute" and inserting "commission";

And the bill be passed as amended.

Chairperson

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your committee on Communication, Computers and Technology

Recommends that House Bill No. 2442

"AN ACT establishing the Kansas high technology research partnership program to promote research projects within this state which will enhance employment opportunity, stimulate high technology economic development and encourage private investment."

Be amended:

On page 1, in line 33, by striking "4" and inserting "3"; in line 37, by striking the period and inserting a semicolon; following line 37, by inserting a new subsection as follows:

"(d) "Postsecondary educational institution" means (1) any state educational institution under the control and supervision of the board of regents, (2) any community college established under the laws of this state, (3) the municipal university established under the provisions of article 13a of chapter 13 of Kansas Statutes Annotated, and (4) any accredited independent institution as defined in K.S.A. 72-6107 and amendments thereto.";

Also on page 1, in line 40, by striking "the state" and inserting "postsecondary";

On page 2, in line 49, following "biochemistry" by inserting "and related biotechnical processes"; in line 74, by striking "state" and inserting "postsecondary";

On page 3, in line 82, by striking all after "there"; in line 83, by striking all preceding "a" and inserting in lieu thereof "shall be created at each postsecondary educational institution and each research corporation affiliated with any such institution conducting a research project pursuant to this act"; In line 96, by striking "state institution under its jurisdiction" and inserting "postsecondary educational

institution or affiliated research corporation conducting a research project pursuant to this act"; in line 103, by striking "university" and inserting "institution"; in line 110, by striking "state general"; in line 111, by striking "fund accounts" and inserting "the high technology research fund"; also in line 111, by striking all after "any"; in line 112, by striking "diction" and inserting "institution or affiliated research corporation";

On page 4, in line 119, by striking "university" and inserting "institution"; in line 134, by striking "4" and inserting "3"; following line 144, by inserting a new section to read as follows:

"Sec. 9. There is hereby appropriated for the fiscal year ending June 30, 1984, for the state board of regents from the state general fund the following:

"Grants for Kansas high technology research partnership program..... \$1,500,000";

And by renumbering section 9 as section 10;

In the title, in line 20, preceding the period by inserting "and making appropriations for the fiscal year ending June 30, 1984, therefor;

And the bill be passed as amended.

_____Chairperson

This bill which affects state moneys should be referred to the Committee on Ways and Means pursuant to Rule 903(b).

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your committee on Communication, Computers and Technology

Recommends that House Bill No. 2293

"AN ACT relating to public broadcasting; concerning state financial assistance for public radio stations; amending K.S.A. 75-4905 and K.S.A. 1982 Supp. 75-4907 and 75-4910 and repealing the existing sections."

Be amended:

On page 1, in line 36, following the period by inserting "For the purpose of this act public radio service shall mean and include service only by public radio stations licensed to nonprofit corporations which are not affiliated with a college or university or community college in the state of Kansas.";

And the bill, as amended, be not passed.

Chairperson