

Approved 5/1/87
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Phil Kline at
Chairperson

1:00 a.m./p.m. on Monday, April 6th, 1987 in room 423S of the Capitol.

All members were present except: Representatives Chronister, Moomaw, Heinemann, Mainey, Miller and Teagarden (All Excused)

Committee staff present:

Jim Wilson, Revisor
Lynn Holt, Research
Molly Mulloy, Secretary

Conferees appearing before the committee:

David Barclay, Department of Commerce

Chairman Phil Kline called the meeting to order and asked Lynn Holt to brief the committee on H.B. 2582, which concerns personnel and financial matters of Kansas Inc. and KTEC.

Ms. Holt said that H.B. 2582 provides that the president of both Kansas Inc and KTEC should be considered state employees entitled to all the fringe benefits of state employees. She added that state travel procedures do not apply to Kansas Inc and KTEC employers. Instead, the president of each body or designee would approve travel expenses. With respect to appropriations, the bill provides that these stay in the state treasury until expended or transferred. The bill also amends an existing statute to exempt Kansas Inc. from state purchasing laws. Finally, the bill requires the president of Kansas Inc to prepare a business plan to be submitted to the legislative standing committees on economic development or the joint economic development committee.

David Barclay, Department of Commerce, distributed copies of a Memorandum (Attachment 1) and explained that Kansas, Inc. and KTEC were established by the 1986 legislature as independent, quasi-public corporations. The proposed amendments to H.B. 2582 would allow Kansas, Inc. and KTEC to use the state system for processing payroll, deferred compensation, health care and other workers benefits. In regard to operating funds, Mr. Barclay stated that 1/3 of the funds of Kansas Inc. and approximately 3/5 of the funds for KTEC will be private. While all state appropriations for the two entities will be kept in the state treasury, private funds may or may not be placed in the treasury at the option of the corporations.

In responding to a question from Rep. Leach, Phil Bradford, president of KTEC, said that KTEC is modeled after a similar program in Arkansas and in Indiana, and in those states the corporation is exempt from state purchasing laws and keeps private funds in private accounts. He added that KTEC's financial records are open to Legislative Post Audit. Tim Witsman, president of Kansas Inc., also responded to several questions from committee members.

Rep. Foster moved, and Rep. Helgerson seconded, that H.B. 2582 be passed favorably. The motion carried.

Minutes for committee meetings held on March 23 (at 3:30), March 25, 26, 30 and 31 were approved.

The meeting was adjourned at 1:45pm No further meetings of the committee are scheduled at this time.

Date: 4/6

GUEST REGISTER

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H O U S E

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