

Approved: 1-26-95
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Chairperson Bob Miller at 3:30 p.m. on January 18, 1995 in Room 423-S of the Capitol.

All members were present except: Rep. Kent Glasscock - excused
Rep. William Mason - excused
Rep. Kenneth King - excused
Rep. Greg Packer - absent
Rep. Jo Ann Pottorff - excused

Committee staff present: Lynne Holt, Legislative Research Department
Bonnie Fritts, Committee Secretary

Conferees appearing before the committee: Dr. Jarvin Emerson, Professor, Kansas State University

Others attending: See attached list

The meeting was called to order at 3:30 p.m. by the Chairperson Bob Miller. The minutes of January 17, 1995 were distributed and approved.

Dr. Emerson presented information on Kansas Personal Income as well as statistics on firm starts and quits and submitted written testimony (Attachment 1)
He gave comparisons between metro and non-metro area firm starts and quits and information on high-tech firms regarding retention rates and starting wages.

Chairperson Bob Miller showed the committee a ten minute video about the Bi-Rotor Combine XBR2 invented by Kansan Mark Underwood.

Meeting was adjourned at 4:15 p.m.

The next meeting is scheduled for January 26, 1995.

Table 1-3
 Kansas Personal Income, 1993
 and 1994 Forecast
 (millions of dollars)

	1993	Percent Change 1992-93	Forecast for 1994	Percent Change 1993-94
Salaries and Wages	27,094	3.4	28,671	5.8
Other Labor Income	3,272	8.0	3,502	7.0
Proprietors' Income				
Farm	1,284	(1.9)	1,431	11.5
Nonfarm	3,578	7.9	3,826	6.9
Dividends, Interest, and Rent	8,301	1.1	8,469	2.0
Transfer Payments	8,202	6.9	8,626	5.2
Adjustment for Residence	1,030	6.9	1,066	3.4
Less: Social Insurance Contr.	(2,466)	4.5	(2,641)	7.1
Total Personal Income	50,295	4.0	52,949	5.3

Table 1-5
 Personal Income Average Annual Growth,
 Kansas, U.S., Plains States,
 1988-1993 and 1992-1993

	Average Annual Growth 1988-93	Percent Change 1992-93
U.S.	5.7	4.4
Plains States	5.7	3.3
South Dakota	7.5	4.7
Kansas	5.3	4.0
Missouri	5.3	4.0
Minnesota	6.0	3.6
Nebraska	5.8	3.2
Iowa	5.4	1.2
North Dakota	6.8	0.1

Table 2-3
 Kansas Personal Income,
 1994 and 1995 Forecasts
 (millions of dollars)

	Forecast for 1994	Percent Change 1993-94	Forecast for 1995	Percent Change 1994-95
Salaries and Wages	28,671	5.82	30,253	5.52
Other Labor Income	3,502	7.03	3,702	5.73
Proprietors' Income				
Farm	1,431	11.48	1,526	6.61
Nonfarm	3,826	6.92	3,922	2.53
Dividends, Interest, and Rent	8,469	2.02	8,861	4.62
Transfer Payments	8,626	5.17	9,147	6.03
Adjustment for Residence	1,066	3.41	1,113	4.44
Less: Social Insur- ance Contr.	(2,641)	7.10	(2,816)	6.62
Total Personal Income	52,949	5.28	55,707	5.21

Kansas Index of Leading Indicators

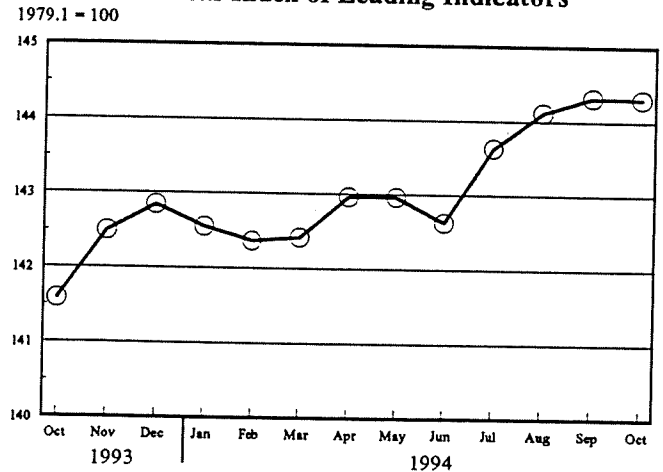


Figure 2-1

HOUSE ECO. DEVO. COMMITTEE
 1-18-95
 ATTACHMENT 1

Table 5-1
Firm Starts, 1992-1993

Industry Name	Number of Firms	Start Emp.	Quarterly Wages	Industry Name	Number of Firms	Start Emp.	Quarterly Wages
Ag. Prod.—crops	32	151	553,349	Wholesale Trade—Durable Goods	789	1,452	11,077,443
Ag. Prod.—livestock	34	180	868,186	Wholesale Trade—Nondur. Goods	425	881	6,055,759
Ag. Services	223	523	1,249,687	Total Wholesale Trade	1,214	2,333	17,133,202
Total Agriculture	289	854	2,671,222	Bldg., Hardware, Garden Supp.	56	133	415,726
Oil & Gas Extraction	109	418	2,695,136	General Merchandise Stores	10	30	39,201
Nonmetallic Minerals	9	55	222,332	Food Stores	156	1,195	2,571,416
Total Mining	118	472	2,917,468	Automotive Dirs., Gas Stations	220	875	3,277,911
Building Construction	523	1,496	5,508,431	Apparel & Acc.	135	708	1,409,174
Heavy Construction	147	961	3,615,607	Home Furnishings & Furniture	204	615	2,500,060
Special Trade Construction	1,053	3,396	11,096,092	Eating & Drinking Places	926	9,441	14,906,822
Total Construction	1,723	5,854	20,220,131	Misc. Retail	575	1,596	3,700,935
Food & Kindred Products	22	239	759,060	Total Retail Trade	2,282	14,591	28,821,245
Textile Mill Products	5	48	66,023	Depository Institutions	16	36	311,520
Apparel	15	39	166,154	Nondepository Credit Inst.	72	622	4,190,612
Lumber & Wood Products	25	85	279,208	Security & Commodity Brokers	96	214	3,233,764
Furniture & Fixtures	13	55	144,622	Insurance Carriers	72	310	2,282,144
Printing & Publishing	59	223	750,442	Insurance Agents	309	801	4,357,361
Chemicals	5	424	3,341,169	Real Estate	342	906	3,701,290
Rubber & Plastic Products	15	34	208,080	Holding & Investment Offices	63	112	789,325
Stone, Clay, Glass, Concrete	7	16	66,034	Total Fin., Ins., & R.E.	970	3,001	18,866,016
Primary Metals	8	53	258,550	Lodging	64	1,088	2,372,443
Fabricated Metal Products	18	213	926,692	Personal Services	255	731	1,471,682
Machinery, ex. Electrical	58	246	1,083,244	Business Services	980	4,540	17,024,036
Electrical & Electronic	9	20	79,818	Automotive Repair Serv.	288	760	2,499,162
Transportation Equipment	28	198	1,010,062	Misc. Repair Services	230	397	1,918,480
Instruments	10	98	401,248	Motion Pictures	35	122	998,866
Other Manufacturing	30	179	791,700	Amusement and Rec.	159	986	1,888,429
Total Manufacturing	327	2,170	10,332,106	Health Services	431	3,840	17,284,822
Local Transit	15	119	282,846	Legal Services	141	245	1,075,870
Motor Freight & Warehousing	394	1,196	5,260,954	Educational Services	60	175	568,743
Transportation by Air, Water	21	107	503,714	Social Services	197	721	1,742,250
Transportation Services	56	184	1,226,085	Membership Organizations	59	130	517,155
Communications	46	222	2,255,180	Engineering, Accounting, etc.	616	1,426	9,983,461
Elec., Gas, San. Services	41	90	534,789	Private Households	1,193	1,533	3,112,009
Total Transp., Comm. & Util.	573	1,919	10,063,568	Misc. Services	20	72	272,621
				Total Services	4,728	16,766	62,730,027
				Total All Industries	12,224	47,960	173,754,985

Table 5-2
Firm Quits, 1992-1993

Industry Name	Number of Firms	End Emp.	Ending Quarterly Wages	Industry Name	Number of Firms	End Emp.	Ending Quarterly Wages
Ag. Prod.—crops	22	92	\$287,175	Wholesale Trade—Durable Goods	580	1,126	7,102,678
Ag. Prod.—livestock	20	75	308,606	Wholesale Trade—Nondur. Goods	308	781	3,492,295
Ag. Services	109	287	600,945	Total Wholesale Trade	888	1,907	10,594,973
Total Agriculture	151	453	1,196,726	Bldg., Hardware, Garden Supp.	65	290	851,040
Oil & Gas Extraction	129	344	1,604,980	General Merchandise Stores	32	1,630	6,796,222
Nonmetallic Minerals	5	12	64,560	Food Stores	109	811	1,798,997
Total Mining	134	356	1,669,540	Automotive Dirs., Gas Stations	177	629	2,162,544
Building Construction	321	817	2,935,023	Apparel & Acc.	144	691	1,350,723
Heavy Construction	120	799	5,838,075	Home Furnishings & Furniture	171	510	1,904,660
Special Trade Construction	719	2,604	9,320,776	Eating & Drinking Places	705	4,814	6,076,016
Total Construction	1,160	4,220	18,093,873	Misc. Retail	433	2,584	5,423,767
Food & Kindred Products	16	646	8,697,950	Total Retail Trade	1,836	11,958	26,363,969
Textile Mill Products	5	37	72,620	Depository Institutions	14	64	158,882
Apparel	12	79	116,333	Nondepository Credit Inst.	34	161	787,879
Lumber & Wood Products	20	159	625,889	Security & Commodity Brokers	46	67	514,783
Furniture & Fixtures	7	32	47,140	Insurance Carriers	47	418	3,677,088
Printing & Publishing	45	159	828,823	Insurance Agents	195	470	2,301,334
Chemicals	6	25	213,263	Real Estate	225	543	2,082,172
Rubber & Plastic Products	10	17	70,991	Holding & Investment Offices	43	52	648,761
Stone, Clay, Glass, Concrete	9	35	215,731	Total Fin., Ins., & R.E.	604	1,774	10,170,898
Fabricated Metal Products	21	150	718,498	Lodging	35	567	1,039,585
Machinery, ex. Electrical	45	198	1,050,935	Personal Services	225	485	1,082,247
Electrical & Electronic	14	37	197,607	Business Services	548	2,842	9,748,399
Transportation Equipment	22	150	759,125	Automotive Repair Serv.	223	524	1,463,365
Instruments	6	18	106,064	Misc. Repair Services	140	274	1,002,667
Other Manufacturing	14	135	466,407	Motion Pictures	36	55	170,563
Petroleum Refining	0	0	0	Amusement and Rec.	97	515	935,082
Total Manufacturing	252	1,878	14,187,377	Health Services	269	1,480	6,299,359
Local Transit	26	137	313,492	Legal Services	113	210	931,335
Motor Freight & Warehousing	295	1,303	5,751,925	Educational Services	40	123	601,382
Transportation by Air, Water	13	20	90,941	Social Services	100	258	413,404
Transportation Services	40	139	756,870	Membership Organizations	45	75	281,867
Communications	21	84	437,563	Engineering, Accounting, etc.	377	1,142	7,169,393
Elec., Gas, San. Services	13	30	172,426	Private Households	869	1,305	2,617,585
Total Transp., Comm. & Util.	408	1,713	7,523,217	Misc. Services	12	46	223,693
				Total Services	3,129	9,900	33,979,927
				Total All Industries	8,562	34,159	123,780,501

Table 5-3
Net-Firm Starts/Quits, 1992-1993

Industry Name	Net Number of Firms	Net Emp. Change	Net Quarterly Wages	Industry Name	Net Number of Firms	Net Emp. Change	Net Quarterly Wages
Ag. Prod.—crops, & Forestry	10	59	\$266,174	Wholesale Trade—Durable Goods	209	326	3,974,765
Ag. Prod.—livestock, & Fish/Hunt/Tra	14	105	559,580	Wholesale Trade—Nondur. Good	117	100	2,563,463
Ag. Services	114	236	648,742	Total Wholesale Trade	326	426	6,538,228
Total Agriculture	138	401	1,474,496	Bldg., Hardware, Garden Supp.	(9)	(157)	(435,314)
Oil & Gas Extraction	(20)	74	1,090,157	General Merchandise Stores	(22)	(1,600)	(6,757,020)
Nonmetallic Minerals & Coal	4	42	157,772	Food Stores	47	383	772,419
Total Mining	(16)	116	1,247,928	Automotive Dirs., Gas Stations	43	246	1,115,367
Building Construction	202	679	2,573,409	Apparel & Acc.	(9)	17	58,451
Heavy Construction	27	162	(2,222,468)	Home Furnishings & Furniture	33	105	595,399
Special Trade Construction	334	793	1,775,317	Eating & Drinking Places	221	4,627	8,830,806
Total Construction	563	1,634	2,126,258	Misc. Retail	142	(988)	(1,722,832)
Food & Kindred Products	6	(407)	(7,938,890)	Total Retail Trade	446	2,634	2,457,276
Textile Mill Products	0	11	(6,597)	Depository Institutions	2	(28)	152,638
Apparel	3	(40)	49,820	Nondepository Credit Inst.	38	462	3,402,733
Lumber & Wood Products	5	(74)	(346,682)	Security & Commodity Brokers	50	147	2,718,981
Furniture & Fixtures	6	22	97,481	Insurance Carriers	25	(107)	(1,394,945)
Paper Products	(1)	(40)	(92,636)	Insurance Agents	114	331	2,056,027
Printing & Publishing	14	64	(78,382)	Real Estate	117	363	1,619,119
Chemicals	(1)	399	3,127,906	Holding & Investment Offices	20	60	140,565
Petroleum Refining	1	(1)	10,482	Total Fin., Ins., & R.E.	366	1,227	8,695,118
Rubber & Plastic Products	5	17	137,089	Lodging	29	520	1,332,858
Leather & Leather Products	4	13	28,769	Personal Services	30	246	389,435
Stone, Clay, Glass, Concrete	(2)	(19)	(149,697)	Business Services	432	1,698	7,275,636
Primary Metals	5	(0)	50,575	Automotive Repair Serv.	65	236	1,035,796
Fabricated Metal Products	(3)	63	208,194	Misc. Repair Services	90	123	915,814
Machinery, ex. Electrical	13	48	32,309	Motion Pictures	(1)	68	828,303
Electrical & Electronic	(5)	(17)	(117,788)	Amusement and Rec.	62	471	953,347
Transportation Equipment	6	48	250,937	Health Services	162	2,360	10,985,463
Instruments	4	80	295,184	Legal Services	28	35	144,534
Other Manufacturing	15	126	586,654	Educational Services	20	52	(32,639)
Total Manufacturing	75	292	(3,855,271)	Social Services	97	463	1,328,846
Local Transit	(11)	(18)	(30,646)	Museums, Galleries, & Gardens	3	9	23,142
Motor Freight & Warehousing	99	(107)	(490,971)	Membership Organizations	14	55	235,288
Water Transportation	2	(2)	(2,536)	Engineering, Accounting, etc.	239	284	2,814,068
Transportation by Air	6	89	415,309	Private Households	324	228	494,424
Pipelines, ex. Natural Gas	0	0	0	Misc. Services	5	18	25,786
Transportation Services	16	45	469,215	Total Services	1,599	6,866	28,750,101
Communications	25	138	1,817,616	Total All Industries	3,662	13,801	49,974,484
Elec., Gas, San. Services	28	61	362,363				
Total Transp., Comm. & Util.	165	206	2,540,351				