

Approved: February 15, 1995  
Date

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on February 14, 1995 in Room 123-S of the Capitol.

Members present: Senators Salisbury, Burke, Downey, Feleciano, Gooch, Harris, Kerr, Ranson, Reynolds, Steffes and Vidricksen.

Committee staff present: Lynne Holt, Legislative Research Department  
Betty Bomar, Committee Secretary

Conferees appearing before the committee:  
Belden Daniels, President, Economic Innovation International, Inc.,  
Boston, MA

Others attending: See attached list

Belden Daniels, who was consultant to the Kansas Legislature when it developed an economic development strategy, made a presentation on Kansas's economic development strategy and where Kansas should go from here. Ten years ago the Governor and the Legislature established one of the most comprehensive economic development infrastructures that any state has constructed. Today, however, the vision has changed and there is now a global economy and fierce competition. To compete in this market, it is necessary to have a high skilled work force and a strong public-private sector relationship. In regard to the work force, there needs to be a strong vocational training and community college program. With relation to the public-private sector relations, at the present time Kansas asks only that one-third of the capital be from the private sector. It is suggested that in order for programs to be more performance based, the private sector involvement should be changed to two-third ownership and the public sector one-third.

Mr. Daniels outlined the following priorities for financial-capital needs: (1) technology; (2) productivity; (3) achieve scale; and (4) focus. Senator Ranson raised a question as to how the Legislature can continue to support programs which seemingly are not creating the jobs and raising personal income. What are the benchmarks needed in order to determine whether the legislation has been successful? Mr. Daniels responded Kansas made a fast start on economic development; however, in the mid-'80's it did not keep up and its wage levels began decreasing. It is necessary to keep focused and to shift from a program focus to outputs. Some states are funding Department of Commerce budgets in a block grant concept. Mission and goals are established by the Department and funding is dependent upon the results. There is a built-in accounting in this type of a procedure.

Senator Steffes inquired as to technology and agricultural development. Mr. Daniels responded that he was shocked to see no agricultural service activity in the state: bio-tech, agri-business or agri-service. Secondly, telecommunications infrastructure has great potential for small communities globally.

There was discussion about the use of the agricultural extension service in a more progressive manner. Daniels suggested utilizing the extension service to take the resources of MAMTC and KTEC out to the communities. The rewards would have great impact on the increase in productivity of a company, obtaining new resources, financial and technical, thereby changing the local economies and that of the State.

The Committee adjourned at 9:00 a.m.

The next meeting is scheduled for Wednesday, February 15, 1995.

