

Approved: February 3, 1997
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Bill Mason at 3:30 p.m. on January 28, 1997 in Room 423-S of the Capitol.

All members were present except: Barbara Allen (Excused)
Jene Vickrey (Excused)

Committee staff present: Lynne Holt, Legislative Research Department
Renaë Jefferies, Revisor of Statutes
Beverly Renner, Committee Secretary

Conferees appearing before the committee: Ellyn Sipp, Legislative Post Audit

Others attending: See attached list

Ellyn Sipp, Legislative Post Audit presented the Performance Audit Report: Compensation of Executives of the State's Economic Development Agencies conducted in September, 1996 (A copy of this report is on file in the Legislative Research Department). The report satisfied two questions; 1) How is the Compensation of Executive-Level Staff in Kansas' Economic Development Agencies Set, and How Do Their Responsibilities and Compensation Compare With Their Counterparts in Other States? and 2) What Relationships Exist Between Economic Development Agencies and the Companies They Assist, and Are Adequate Laws and Procedures in Place to Deal With Conflicts of Interest That May Result From Those Relationships? The audit found that the salaries of Kansas Agency Heads compared to other states' placed them in the middle of the range. Potential conflict of interest issues were noted but the existing statutes covering such activities were vague and open to interpretation. It was concluded that the Legislature will need to determine whether any appearance of a conflict of interest should be eliminated, or whether that is an inevitable by-product of economic development that should be managed. The report recommended that the Joint Committee on Economic Development review these findings to determine if the present situation is acceptable with the agencies review of employee statements of substantial interest or if additional legislation is required to manage the potential for conflict of interest.

Minutes for meetings on January 21, 22 and 23 were moved for approval by Representative Beggs and seconded by Representative Long. The motion carried.

Chairman Mason adjourned the meeting at 4:30 p.m.

The next meeting is scheduled for January 29, 1997.

