

MINUTES OF THE HOUSE COMMITTEE ON NEW ECONOMY.

The meeting was called to order by Chairperson William Mason at 3:30 p.m. on February 8, 2001 in Room 522-S of the Capitol.

All members were present except: Representative Ray Cox - E  
Representative Lana Gordon - E  
Representative Judith Loganbill - E

Committee staff present: Bob Nugent, Revisor of Statutes  
Renae Jefferies, Revisor of Statutes  
April Holman, Legislative Research Department  
Lynne Holt, Legislative Research Department  
Rose Marie Glatt, Secretary

Conferees appearing before the committee: Speaker Kent Glasscock  
Dr. Alec Hansen, Economic Competiveness Group

Others attending: See Attached List

Speaker Glasscock spoke to the committee regarding the challenges facing the state in the new millennium. Kansas is in a unique position for several reasons: its location, clusters of economic activities, and the fact that it has the fifth fastest aging population in the country. For Kansas to prosper they have to realign their strategies, keeping the aging population focused and engaged in Economic Development. The workforce has to be trained, re-trained and re-positioned in the next 25 years to make sure that Kansas will be a vital part of the information age. Next year the New Economy Committee will be charged to put forth a strategy, based on the long term Kansas strategic plan received during the interim, that will drive Economic Development for the next decade. He encouraged the members to remember that bureaucracy kills creativity and innovation doesn't occur without risks. Old ideas cannot match the new economy; their ideas will be controversial and stressful and should be brought forward on a bi-partisan basis. He encouraged them to work hard and pledged his support.

Discussion followed regarding time limitations, interim plans, financial support for the changes, recruitment needs and workforce development, and tourism.

Jerry Lonergan, representing Kansas, Inc., introduced Dr. Alec Hanson, President, Economic Competiveness Group. His firm was engaged by Kansas, Inc., for a one-year study, to review the 1997 strategic plan and suggest revisions that may need to be done to achieve the objectives and goals in that report. A set of guidelines and implementation plans will also be provided to the state, to see that those goals happen.

Dr. Alec Hanson spoke to the committee on the Comprehensive Strategic Plan Update, (no written testimony). He explained the motivation, specific phasing and the progress made in the first seven months of the study. He mapped out the procedures that would be used by the New Economy and Senate Commerce Committees after they receive the report, June 1. He briefly reviewed the history of the Redwood-Krider report and the successful implementation of the resulting recommendations. Their strategic report will outline the current trends, strengths and capabilities of Kansas and challenges facing our economy.

He gave the background of his firm and their philosophy. Their focus has been on understanding the basis of Competiveness and through their research they found that the most competitive regions tend to have very strong economic clusters with strong linkages, i.e., joint training programs, joint product development, etc. He reviewed the conceptional reasoning and goals of the three agencies, KTEC, Kansas, Inc. and KDOC&H and the strengths and weaknesses as they relate to the original plan.

He explained the three phases of the project.

- *Phase One - Analysis*, completed. The report contains results of SAT scores, compared to a reference group of eight states, college attainment per population, worker productivity, rate of growth in

small firms and number of patents per population.

- *Phase Two - Strategy Development*, will be completed March 30. April and May will allow time for people to review the information and provide feedback on appropriateness for the economy and implementation mechanisms.
- *Phase Three - Recommendations*, will be completed June 1, allowing the summer and fall for joint committees to develop the constituency for them and be prepared to go forward at the beginning of the 2002 session.

He answered questions on the following: performance results of the three agencies over the past 16 years, lack of Venture Capital in the state and the need to move forward on this year's bill, availability of consultants after the contract expires, target date of mid-to-late April for draft copy of the report, concerns over the lack of energy nationwide.

Next meeting February 13.

The Chairman adjourned the meeting at 4:45 p.m.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE  
COMMITTEE GUEST LIST

DATE: February 8, 2001

NAME	REPRESENTING
Dobby A. Lyft	Kansas Inc
Jennifer Schmidt	Speaker
Larry Wabr	Speaker
Sandy Braden	K Curio Council
Alec Hansen	Econ. Comp Corp / Kans Inc
Barb Reavis	KWIP
Roger Francke	RGC
Stephanie Buchanan	DOB
Rick Bennis	RTEC
John Frederick	The Boeing Company
Fred J. Schwien	KDOC:H