

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on February 07, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research  
Norman Furse, Revisor of Statues  
Sherman Parks, Revisor of Statues  
Lea Gerard, Committee Secretary

Conferees appearing before the committee: Doctor David Burress, Research Economist

Others attending: See attached list

Chairperson Brownlee welcomed Doctor David Burress, Research Economist from the University of Kansas, who presented an overview on Benefit-Cost Analysis of Tax Incentives (Attachment 1). Benefit-Cost Analysis is a form of using two types of program evaluation; process and outcome. David Burress explained the following from his presentation:

- What is Benefit-Cost Analysis (BCA)?
- “Traditional” versus generalized BCA
- Important features of BCA
- Examples of BCA of incentives
- Should it be used for Kansas tax incentives?
- Recommendations

The Committee questioned how accurate multipliers are. Dr. Burress stated the only way to come up with an accurate multiplier is to build a small model of the state economy with a great deal of data that shows how the dollars flow through the state and filter out of the state. Without the detailed data and complicated model, you would not have multipliers that are effective. Chairperson Brownlee thanked Doctor Burress for the good overview and presentation before the Committee.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for February 12, 2002 at 8:30 a.m.