

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:00 A.M. on January 16, 2007 in Room 231-N of the Capitol.

All members were present except:

Brenda Landwehr- excused
Candy Ruff- excused
Kasha Kelley- excused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department
Dustin Slinkard, Office of Revisor of Statutes
Stephen Bainum, Committee Assistant

Conferees appearing before the committee:

Stan Ahlerich, President, Kansas Inc
Tracy Taylor, President, KTEC

The Chairman introduced the guest speaker, Stan Ahlerich, President, Kansas Inc.

Stan Ahlerich, President, Kansas Inc. briefed the committee on the history of Kansas Inc. He passed out the Kansas Inc. Research Report of June 2005 with the Economic Development Reports for 2005 and 2006 and the Indicators of the Kansas Economy (IKE) for December 2006. He also passed out the Kansas Inc. Annual Report of 2006. He said that Kansas Inc. was tasked with producing a Strategic Plan for Economic Development for the State of Kansas. This is done every five years. The strategic plan includes Systemic Research, Bench Marking and Evaluation.

Representative Grant asked, "How is the Kansas economy doing?" Stan referred to the IKE report and said that the results were mixed. Many variables are involved and are subject to interpretation. He indicated that the nation is doing well and therefore Kansas is doing well but admitted that there are issues where Kansas is lagging behind the nation. However the unemployment rate is 4.2% which produces a need for skilled workers.

Representative Huntington asked if there were any significant changes in the Agriculture report. Stan replied that they were doing the report now. It is done quarterly. They are trying to do a better job of evaluation. The Commerce Department has embraced it.

Representative Ruiz asked if there were any people from the universities on the research committee. Stan replied that they were required by statute of have members from the Board of Regents. The plan was to use economists from all the regents schools. They have the expertise and talent for that research. They are getting back to that plan now.

Representative Gordon commended Stan for doing a great job by providing good tools, a Handbook and Research Report in a useful format.

The Chairman asked if there was a deadline for the report and if there was anything the legislature needed to do to assist Kansas Inc. Stan replied that the deadline was January 2008.

The Chairman introduced guest speaker Tracy Taylor, President, Kansas Technology Enterprise Corporation.

At 9:30 A.M. Tracy Taylor, President of Kansas Technology Enterprise Corporation gave a handout of 20 KTEC Years of Innovation and a 20 page presentation of KTEC activities. He gave several examples of the assistance that KTEC has given to startup companies in Kansas. KTEC has a 20 person board and is focused on technology. Business system incubators providing engineering training are offered to entrepreneurs through an endowment called MAMTC. KTEC is working to stop the brain drain from Kansas by bringing more technical industries to Kansas.

Representative Tietze asked what commitment the companies have to stay in Kansas. Terry emphasized that they gave them good support and most of them are from Kansas and want to stay here.

CONTINUATION SHEET

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Tracy gave five examples of companies that KTEC has helped to start up and grow in Kansas.