

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:35 a.m. on March 19, 2002 in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Deb Hollon, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Paul West, Kansas Legislative Research Department
Julian Efirid, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Janet McPherson, Assistant Director, Public Policy Division, Kansas Farm Bureau
Mike Beam, Governmental Affairs Staff, Kansas Livestock Association
Bud Burke, Cessna Aircraft Company and the Aircraft Industry
Jewel Scott, Executive Director, Civic Council of Greater Kansas City
Shawn Hennessee, on behalf of the Greater Kansas City Chamber of Commerce
Robert Marcusse, President/CEO, Kansas City Area Development Council
Trudy Aron, Executive Director, American Institute of Architects
Clay Blair, Chair, Kansas Board of Regents
Ron Gaches, Executive Vice President, Kansas Society of Professional Engineers
Terry Leatherman, Vice President-Legislative Affairs, Kansas Chamber of Commerce and Industry
Jim DeHoff, Executive Secretary-Treasurer, Kansas AFL CIO (written)
Bernie Koch, Wichita Chamber of Commerce (written)
Mike Taylor, Government Relations Director, City of Wichita

Others attending: See attached list

Bill Introduction

Senator Feleciano moved, with a second by Senator Jackson, to introduce a bill concerning tax increment financing; relating to major tourism areas (1rs2359). Motion carried on a voice vote.

Chairman Morris opened the public hearing on:

HB 2690--University research and development enhancement act

Staff briefed the Committee on the bill.

Copies of a chart, Construction Process Flowchart for **HB 2690** - "Construction Manager at Risk" were distributed to the Committee (Attachment 1).

Janet McPherson, Assistant Director, Public Policy Division, Kansas Farm Bureau, testified in support of **HB 2690** (Attachment 2). Ms. McPherson mentioned that the Kansas Farm Bureau encourages federal, state and local units of government, research institutions and the agricultural industry to make every reasonable effort to protect livestock and crop production in Kansas from the threat of bioterrorism or from introduction through accidental infestation by animal and plant pests or diseases. It was mentioned that one asset for helping carry forward this endeavor is the construction of the Food Safety and Security Center at Kansas State University.

CONTINUATION SHEET

Mike Beam, Governmental Affairs Staff, Kansas Livestock Association, testified in support of **HB 2690** (**Attachment 3**). Mr. Beam explained that the Kansas Livestock Association supports the effort to build a BSL-3 facility in Kansas and encourages the Kansas Legislature to give Kansas State University and other Board of Regents institutions the tools necessary to enhance important research facilities in Kansas.

Bud Burke, Issues Management Group, Inc., on behalf of Cessna Aircraft Company and the Aircraft Industry, testified in support of **HB 2690** (**Attachment 4**). Mr. Burke explained that he was present to appear before the Committee to underscore the importance of research and development in Kansas. He also indicated that the aviation industry looks forward to working with the Legislature regarding the request for research and development funding for the Wichita State University National Institute for Aviation Research.

Jewel D. Scott, Executive Director, Civic Council of Greater Kansas City, testified in support of **HB 2690** (**Attachment 5**). Ms. Scott mentioned that they believe **HB 2690** is the right step at a critical time and creates an opportunity for the Kansas Legislature to leave a legacy that will benefit Kansans for generations to come.

Shawn Hennessee, on behalf of the Greater Kansas City Chamber of Commerce, testified in support of **HB 2690** (**Attachment 6**). Mr. Hennessee explained that the development and enhancement of scientific research facilities is imperative to promote the economic development of the state.

Robert J. Marcusse, President/CEO, Kansas City Area Development Council, testified in support of **HB 2690** (**Attachment 7**). Mr. Marcusse mentioned that the message he wanted to leave with the Committee was that funding the ability of Kansas universities to expand their research programs is not about scientists in white lab coats playing with test tubes. It is about the future of Kansas and about the ability to attract or lose millions of dollars, investment and thousands of jobs.

Trudy Aron, Executive Director, American Institute of Architects, testified in support of **HB 2690** (**Attachment 8**). Ms. Aron mentioned that they wholeheartedly support the development of scientific research and development facilities at the universities. She also noted that these projects will not only bring research dollars into the state, but will allow Kansas to keep her brightest scholars while attracting world-class researchers.

Clay Blair, III, Chair, Kansas Board of Regents, testified in support of **HB 2690** (**Attachment 9**). Mr. Blair emphasized a point in closing remarks that this initiative is for higher education and the State of Kansas and it only moves the state ahead if adequate operational support for the institutions is ensured. He noted that the Board of Regents priorities remain restoration of the base budgets, full funding of **SB 345**, and the development of research infrastructure.

Ron Gaches, Executive Vice President, Kansas Society of Professional Engineers, testified in support of **HB 2690** (**Attachment 10**). Mr. Gaches mentioned that their Board recognizes the importance of making targeted investments in the research and development facilities of Kansas universities in order to ensure that Kansas can capture its share of federal and private sector funding for research and development facilities.

Terry Leatherman, Vice President-Legislative Affairs, Kansas Chamber of Commerce and Industry (KCCI), testified in support of **HB 2690** (**Attachment 11**). Mr. Leatherman addressed in his closing testimony that KCCI urges the Committee to remove the House "prevailing wage" amendment, and urged exploration of the impact funding this program will have on existing Economic Development Initiatives Fund programs and projects.

The following conferees submitted testimony in support of **HB 2690**:

- Jim DeHoff, Executive Secretary-Treasurer, Kansas AFL CIO (**Attachment 12**)
- Bernie Koch, Wichita Area Chamber of Commerce (**Attachment 13**)
- Mike Taylor, Government Relations Director, City of Wichita (**Attachment 14**)

Committee questions and discussion followed various conferee testimony. Chairman Morris mentioned that the hearing on **HB 2690** would continue on the following day, March 20, 2002.

CONTINUATION SHEET

Subcommittee report on:

State Board of Regents (Attachment 15)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with observations as listed in the subcommittee budget report.

Senator Barone requested information on any programs initiated in the last five to seven years where the institutions were given a line item authority to start a new program and then the State had set that program as things have moved forward.

University of Kansas (Attachment 16)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

University of Kansas Medical Center (Attachment 17)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003.

Kansas State University (Attachment 18)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Kansas State University Veterinary Medical Center (Attachment 19)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003.

Kansas State University Extension Systems and Agricultural Research Programs (Attachment 20)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003.

Wichita State University (Attachment 21)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

CONTINUATION SHEET

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Emporia State University (Attachment 22)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Fort Hays State University (Attachment 23)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Pittsburg State University (Attachment 24)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Senator Schodorf moved, with a second by Senator Jackson, to adopt the subcommittee budget report on the State Board of Regents (including the Regents Universities) for the FY 2002 and FY 2003 budget. Motion carried on a voice vote. Senator Feleciano requested to be recorded as voting "No" on the motion.

The meeting was adjourned at 12:00 p.m. The next meeting is scheduled for March 20, 2002.