

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:02 A.M. on January 18, 2007 in Room 231-N of the Capitol.

All members were present except:

Candy Ruff- excused
John Grange- 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:

Steve Kelly, Acting Director, Department of Commerce
Patty Clark, Deputy Secretary of Operations, Department of Commerce

The Chairman introduced guest speaker Steve Kelly, Acting Director, Department of Commerce.

Steve Kelly passed out a folder containing the 2007 Agency Overview of the Kansas Department of Commerce. He emphasized the Mission Statement and the Divisions that are served by the Department. He briefed the committee on the Field Offices located throughout the state to better serve their customers. He also mentioned the National and International offices set up for recruitment of manufacturing and agriculture companies. There are offices in London, Tokyp, Mexico City and a new office in Beijing, China.

Revenue and Expenditure sources for 2006 were listed in dollars and percent of the total. Federal funds contributed 54.2% of the 2006 revenue while another 30.5% came from Special Revenue Funds. The Economic Development Initiative Fund contributed 15.1% of the total for 2006. The largest expenditure was for Federal and State Aid to local units and amounted to 63.7%.

Multiple areas of the Department's work were covered. These included Organizations Supported by Commerce Pass-Through Funding, Agricultural Marketing Development, Business Development, Community Development, Trade Development, Workforce Development and lastly, Travel and Tourism Development.

There was then a question and answer period. Representative Grant asked if more field offices would be beneficial. Steve replied that they were emphasizing training the agents to provide a broader array of services rather than having more agents.

Representative Ruiz inquired about workforce development. Steve mentioned the programmatic training being offered and the Job Service Centers.

Representative Sharp asked about the consequences of losing EDIF funds. Steve said that EDIF funds are a critical portion of the budget. Originally the funds were used for grants and loans to communities. Over time other operations have been absorbed into the EDIF funds.

Representative Huntington asked if the Athletic Commission had a goal of being self-sustaining. Steve said that the majority of the events were smaller events, not popular enough to be self-sustaining because the receipts were small.

The Chairman asked for an explanation of the Kansas Commission on Disability Concerns. Steve stressed their advocacy for the group, being sure they have access available and providing employment help, focusing on their needs.

Representative Kiegerl asked who makes the decisions about which city receives block grants. Steve said that there was a team in Commerce who decides these on a competitive basis. They look at need, worthiness and the amount the city is willing to match to the grant.

The Chairman asked about the amount of water required by ethanol plants. Steve said that most of the water is not lost. In water shortage areas they must apply for water permits.

CONTINUATION SHEET

MINUTES OF THE House Commerce and Labor Committee at 9:00 A.M. on January 18, 2007 in Room 231-N of the Capitol.

Representative Kelley asked about the number of jobs created in 2006. Steve replied that there were 73,000 jobs added in 2006.

The Chairman asked what the best opportunity was to use composite technology in Kansas. Steve said there were opportunities in energy and bioscience.

Steve then spoke of the Department's efforts in the area of Travel and Tourism. He talked about improving products and helping companies do better target research. He emphasized the prospect of development of the Flint Hills area of Kansas.

The Chairman asked if more dollars should be used to improve tourism or should we put the money in manufacturing. Steve indicated that tourism is a multi billion dollar industry and that there are many opportunities. They need to be judicious and creative with the dollars. He mentioned TV advertising that has been running for nearby states and said that they would be doing some test marketing of TV advertising.

The Chairman introduced guest speaker Patty Clark, Deputy Secretary of Operations, Department of Commerce.

At 10:15 A.M. the committee was briefed by Patty Clark, Deputy Secretary for Operations at the Kansas Department of Commerce. She spoke briefly about the development of tourism in the state and the quality of life issues we face. She emphasized what we have to offer as a state and indicated that their job was the marketing of the image of the state. She concluded with comments about what others are saying about the Department of Commerce and highlighted the Web sites that are available for further study.

The Chairman advised that the next meeting would be Friday, January 19th at 9:30 A.M. when we would hear from Tom Thornton of the Kansas BioScience Authority and Steve Radley of The Kansas Center for Entrepreneurship.

The meeting adjourned at 10:24 A.M.