

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on February 12, 2008 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jennifer Thierer, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Jason Long, Revisor of Statutes
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Wally Kearns, State Director, Kansas Small Business Development Center
Kim Winn, League of Kansas Municipalities

Others attending:

See attached list.

To read testimony submitted by conferees go to

<http://skyways.lib.ks.us/government/KansasSenateCommerceCommittee>.

SB 526--Distribution of moneys from E-911 fees

SB 461--Employment security law; requiring wage reports, contribution returns and making certain payments

Chairperson Brownlee opened the hearing on **SB 526** and introduced Kim Winn representing the League of Kansas Municipalities to give her testimony as a proponent of the bill. Ms. Winn presented written testimony (Attachment 1) which can be found in its entirety on the link listed above.

Upon the conclusion of Ms. Winn's testimony there was discussion with the Committee regarding the funds and how they would be disbursed. Ms. Winn noted the funds would be used to help the counties that do not have E911 assess complete Phase 1 and Phase 2. The Committee discussed a change in the language to "shall be distributed to PSAPs that have not obtained either Phase 1 or Phase 2 status" and maybe after they are all have Phase 2, the money can be distributed to the smallest counties. It was noted that there are 12 counties they will be helping obtain Phase 1 and Phase 2. It was noted that the 911 call should be picked up by the carrier in the location where you place the 911 call. The Committee also discussed the fact that all areas are not covered for every cell phone company and there are certain spots without coverage.. Chairperson Brownlee asked the staff to check into Federal law regarding the guidelines for emergency calls. It was noted by Ms. Winn that Geo Comm would assist in training and assessments in these communities. Senator Barone stated he would like to see these counties that don't have Phase 1 and/or Phase 2 ,their evaluation and their income. There is some concern that some of the counties that are not set up have the resources and that the money should only go to the poorest counties. Ms. Winn stated she would get that information for the Committee. Chairperson Brownlee stated she will hold the hearing open until the staff has time to gather the information on the federal law regarding emergency calls. Senator Emler asked staff to draft an amendment rewording the bill regarding how the money is distributed.

Chairperson called the Committee's attention to **SB 461** and called on Secretary Garner, Department of Labor, asking if he had the information that the Committee requested during the hearing. Secretary Garner stated the budget has corrected the fiscal note. He stated in 2007 the Department of Labor spent little over \$21,000 bringing temporary staffing to deal with the enormous amounts of paper they get. He estimated this bill when fully implemented would reduce that by half; which would be a savings over \$80,000. Secretary Garner also stated the bill would improve the efficiencies on: having more accurate information; getting more information; and getting information faster.

A discussion followed with Senator Wagle suggesting they could scan documents instead of electronic filing. Secretary Garner stated they were not set up to do scanning at this time. The discussion moved on to the minimum number of employees that would require electronic filing. Some of the Committee members feel

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that 50 is too low a number and feel it should be raised. Senator Brownlee suggest some changes that might make the bill acceptable to Senator Wagle's concerns of the requirement of 50 or more as the minimum. Secretary Garner offered a balloon ([Attachment 2](#)) to the committee with changes to address Senator Wagle's concerns. Secretary Garner's balloon can be found in its entirety on the link listed on page 1 of these minutes.

Chairperson Brownlee called on Jennifer Theirer, Legislative Research, to address the questions Senator Wagle had asked in an earlier meeting on the federal requirements for electronic filing. Ms. Theirer presented written copy addressing Senator Wagle's questions ([Attachment 3](#)) which can be found in its entirety on the link shown on page 1 of these minutes.

Next, Chairperson Brownlee asked the Committee if they were ready to work the bill.

Senator Wagle made a motion to adopt the amendment presented by Secretary Garner which strikes "employers with 50 or more employees" from the bill making the minimum requirement for electronic filing 100 employees. Senator Schodorf seconded. Motion carried.

Senator Schodorf made a motion to move the bill out favorably as amended. Senator Reitz seconded. Motion carried.

Next, Chairperson Brownlee introduced Wally Kearns, State Director, Kansas Small Business Development Center to give the Committee an update on the Kansas Small Business Development Center. Mr. Kearns presented written copy. ([Attachment 4](#))

Mr. Kearns stated he would be updating on the three key points of his handout: disaster recovery assistance; use of additional funds; collaboration.

Disaster Recovery Assistance:

From May 10, 2008 until February 1, 2008 they provided 2383 hours of staff time for disaster recovery assistance at the Disaster Recovery Centers (DRC) in Greensburg, Haviland, Toursdale, and southeastern Kansas. Initially, the primary role of the KSBDC was to provide support to the U.S. Small Business Administration, Office of Disaster Assistance, Field Operations. He stated the U.S. Small Business Administration is the primary, federal, funding partner of the Kansas Small Business Development Center. The Kansas Small Business Development Center provided the Kansas Department of Commerce \$50,000 of additional FY 2008 funding for the new Greensburg economic development position. Also, they prepared and submitted a Portability Grant Proposal to the U.S. Small Business Administration for \$100,000 to provide dedicated Kansas Small Business Development Center support to Greensburg for a minimum of twelve months. Mr. Kearns stated there are 46 businesses have now reopened with a total of 37 more having plans to reopen. He stated before the tornado in Greensburg there was a total of 145 businesses.

Use of Additional Funds:

The Governor recommended under the Governor's Rural Initiative last session a funding increase of \$1 million for Kansas Small Business Development Center (KSBDC) . Mr. Karnes stated he was going to summarize the current status of the use of funds.

- They provided \$50,000 to Commerce for Greensburg,
- they have salary wage adjustments to thirteen positions. The reason was because they lost six key people in a matter of eighteen months. They participated in a salary survey at the national level of SBDC's and also conducted a salary survey of the mid-west. Based on that data we adjusted the salaries of thirteen positions.
- Two new consultants hired, one for Johnson County Community College and one for Washburn University.
- An Assistant Director of Marketing and Training has been hired at the state office. The new Assistant Director of Marketing and Training will be working on a new virtual training program for the KSBDC website; the KSBDC signed a contract with Virtual Advisor for \$3,000. Virtual

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Advisor will provide the KSBDC with at least 18 training programs that will be available on the KSBDC website in April 2008. The KS

- KSBDC signed a three year, \$5,000 contract with Sageworks for the use of ProfitCents. This web-based, financial analysis tool will provide clients financial data on their businesses and suggestions for how to improve performance.
- Two KSBDC team members, at a cost of \$4,350, have been certified to conduct a Franklin Covey workshop; their goal is to collaborate with the Kansas Department of Commerce and to offer it to the directors of the Main Street Programs in August. In addition it is being offered for businesses with less than 300 employees.

Mr. Kearns stated they will be establishing additional outreach centers.

A discussion followed with the Committee regarding the salary adjustment that were made within the KSBDC. It was noted by Mr. Kearns that the salary adjustments were coordinated with host universities and had to have their approval. The return on their investment was also discussed. Mr. Kearns stated his report is based on the 2006 funding laws. In the process of doing 2007 at this time and will have by the end of March.

Collaboration

Mr. Kearns quickly referred the Committee to a handout (Attachment 5) which shows how they collaborate with the Kansas Department of Commerce, Office of Rural Opportunity and Enterprise Facilitation. (Attachment 5) In closing he stated that the collaborating is making a difference in Kansas.

Due to the time, Chairperson Brownlee adjourned the meeting at 9:30 a.m. with the next scheduled meeting scheduled for February 13, 2008 at 8:30 a.m. in room 123 S.