

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairman David Wysong at 8:30 a.m. on January 20, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Jean Schodorf- excused

Committee staff present:

Ms. Margaret Cianciarulo, Administrative Assistant
Mr. Norm Furse, Kansas Legislative Revisor
Mr. Ken Wilke, Kansas Legislative Revisor Department
Mr. Reed Holwegner, Kansas Legislative Research Department
Mr. Julian Efird, Kansas Legislative Research

Conferees appearing before the Committee:

Mr. David Kerr, Secretary, Department of Commerce
Mr. Stan Ahlerich, President, Kansas, Inc.

Others attending:

Please see attached list.

Overview of the Department of Commerce's view on the Kansas economy

Upon calling the meeting to order, Chairman Wysong introduced Mr. David Kerr, Secretary of Commerce who offered a presentation of a Department of Commerce overview of things that are going on around the State from a Commerce perspective including:

- information taken out of the Eco Devo Audit from LPA published in the last six months -
- for FY 2003-2007, administered 37 state and federally funded programs classified as economic development totaling \$121M, creating 25,320 new jobs and retaining 40,564. (five are primary programs utilized for business recruitment, expansion and retention ex. KEIEP, KIT, KIR trained 3,544 new employees and retrained 38,743 existing employees).
- moved workforce development from the Department of Labor to Commerce in 2004, meeting or exceeding all federal performance standards the past two years and poised to for a third (before migration, failed to meet the minimum standards)
- key findings from the evaluation of the Commerce Department presented to Kansas, Inc. Board of Directors November 13, 2007.
- what they see happening regarding: aviation (Cessna and Spirit having made the commitment to stay), energy (oil prices down 75% and natural gas prices down 50% since July 2008); and what other states are doing
- and lastly, what was up (retail sales tax & individual income tax receipts) and what was down (corporate income and use taxes).

A copy of Secretary Kerr's testimony is ([Attachment 1](#)) attached hereto and incorporated into the Minutes as referenced.

Chairman Wysong thanked him and then asked the Committee for comments or questions which came from Senators Wysong, Reitz, Faust-Goudeau, and Holland including: at what point in time will we see the bad numbers, (ref. Pg.3); have you been called upon by the Department of Labor to help with the overload of calls regarding unemployment (ex. not being able to get through), efforts to retain/recruit retirees from Fort Riley, do you think that when the stimulus plan is put out you will have federal communications about what

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will be in that plan for Kansas and will you share that with us, how is our state doing in providing entry level jobs for the kids who have graduated from technical schools, etc. in Kansas, and, referring to page 3, are these new jobs state wide or in populated areas?

Overview of Kansas, Inc.

Chairman Wysong then called on Mr. Stan Ahlerich, President of Kansas, Inc. who:

- 1) stated that their testimony is structured around the various aspects of Kansas, Inc.'s mission of economic development strategic planning, research & analysis and bench marking & evaluation;
- 2) covered the concept of Kansas Inc. stating that throughout their 20+ years of existence, they have leveraged public funds with more than \$1.5 million in other funds from individual or corporate donors & grants to enhance both strategic planning and research efforts; .
- 3) provided an overview of several of Kansas, Inc.'s efforts using their current strategic plan (See page 2 of his testimony);
- 4) offered a brief description of several aspects & accomplishments in regards to Kansas, Inc. Strategic planning, research and evaluation; and lastly
- 5) concluded by offering six guiding principles articulated throughout the strategic planning process in regards to economic development efforts.

A copy of Mr. Alerich's testimony is (Attachment 2) attached and incorporated into the Minutes as referenced. _He also provided the following binders and a brochure entitled:

- A) Kansas Inc. Strategic Plan Bench marking
- B.) Research Report
- C) Kansas Inc. Evaluation
- D) HIGH SCHOOLS; A Comprehensive High School Experience Plus Much More

The above is filed in Senator Wysong's office.

The Chair thanked Mr. Ahlerich and asked for questions and/or comments from the Committee which came from Senator Lynn who asked, in regards to the Governor's budget ruling out KTEC and moving Kansas, Inc. into the Department of Labor, what are your thoughts on this.

Adjournment

As there were no more questions of Mr. Ahlerich the Chair adjourned the meeting. The next meeting is scheduled for Thursday, January 22, 2009.

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