

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman William G. Mason at 3:35 p.m. on February 15, 2000 in Room 522-S of the Capitol.

All members were present except: Representative Larry Campbell - E

Committee staff present: April Holman, Legislative Research Department
Renae Jefferies, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee: Steve Kelly, KDOC&H
Terry Leatherman, KCCI
Charles Ranson, Kansas, Inc.

Others attending: See Attached List

Representative Compton moved, seconded by Representative Aday that the minutes from the February 3rd meeting be approved. The motion carried.

The Chairman asked April Holman, Legislative Research Department, to brief the committee on **HB 2832**. She stated that the bill would require the five member panel charged with reviewing the projects funded by the Economic Development Initiatives Fund to report its findings to the Chairs of the House Economic Development and Senate Committees.

The Chairman opened the hearing on **HB 2832**.

Steve Kelly, KDOC&H spoke in support of the bill. (No written testimony) These findings that are required to be recorded by the review committee are information that is available to the committees as indicated and KDOC&H believes that is an appropriate measure. It has been their practice to publish much of the same information in their annual report and they support this addition to the statute.

Chairman Mason stated that **HB 2832** would have no fiscal note. He asked if there was anyone else that wanted to address the issue. Hearing no one, he closed the hearing on **HB 2832**.

Representative Geringer directed attention to page 1, line 37. Representative Geringer moved that on page 1, line 37, after the word close, they add the phrase *or the substantial reduction*. Discussion followed regarding the definition of substantial and it was determined that it would be the same definition used on page 1 line 35. Representative Stone seconded the motion and the motion carried.

Discussion followed regarding the necessity of a bill to accomplish this change. It was the consensus that it was appropriate to add it to the statute.

Representative Geringer moved that **HB 2832** be moved out favorably. Representative Stone seconded and the motion carried.

The Chairman opened the hearing on **HCR 5059**.

April Holman briefed the committee on the bill. The resolution urges the state government to undertake and fund an ongoing strategic analysis of the state's economy. The analysis would be conducted by Kansas, Inc. The bill came out of the committee as an effort to continue and update the process of strategic planning.

Terry Leatherman, KCCI spoke in support of the **HCR 5059** (Attachment 1). He stated that the success Kansas has realized since it last committed to build a strategy for economic development should be all the testimonial needed to support **HCR 5059**. The Chamber policy endorsing development of a new strategy has been unanimously approved by their Committee and ratified by their Board of Directors.

Steve Kelly, KDOC&H appeared in support of **HCR 5059** (No written testimony). They support the request that the state undertake and fund an ongoing strategic analysis of the state's economy that will allow the identification of strategic goals and initiatives and position the KS economy for success in the new century. He spoke about the purpose and need to update the original fifteen-year old Redwood-Krider

report. There have been great changes in the Kansas economy as well as the world's international economies since that report. Technology and Tele-communications have experienced great change, the service sector has mushroomed and industries that were minor players are now drivers of the entire economy. There has been significant growth in some aspects of the economy while others have been stable and in some cases declined. They need to identify through the study, where they have come from, where they are now, the direction they are currently headed and most importantly, where they want to be and how to get there. This is an appropriate time and the Concurrent Resolution calls for a broad base, inclusive non-partisan and objective working group to undertake this examination. This is critical, not only to the work product and its validity but also to the acceptance of the report in its ultimate support. Kansas is not in a general decline or depression, as it was in the time of the original study report. There are segments of the economy that are weak, but the overall strength of the economy may lead some to doubt the necessity of the new plan or perhaps the wisdom of economic development initiatives in general. A strong plan developed with balance and objectivity will be a real asset in our efforts to bring focus on our state's need for positive economic growth.

The question of the fiscal impact of the bill was discussed. The Chairman said that the bill states that funding is the result of matching funds. He asked Charles Ranson, President of Kansas, Inc. to address that issue.

Mr. Ranson stated Kansas, Inc. is delighted to accept the new responsibility of the economic development strategic planning. All of the stakeholders need to be partners to ensure the success of the project. The fiscal projection is \$150,000 - \$170,000, broken down into \$40,000 shares coming from the private sector, legislature, combined resources of KTEC and KDOC&H and an equal amount through the Governor's funding. In answer to a question Mr. Ranson explained that there is \$40,000 available through re-appropriation and release of existing money that has previously been appropriated to Kansas, Inc. for other purposes.

Discussion followed regarding the importance of having all segments of the Kansas economy involved in the project and the language "ongoing" verses annual used on page 1, line 10 of the bill. The Chairman noted that perhaps one small part of the study would be a proposal outlining a regular review process for the strategic planning.

The Chairman asked if there was anyone else that would like to address the committee, hearing no one, he closed the hearing on **HCR 5059**.

Representative Aday moved that **HCR 5059** be passed out favorably. Representative Stone seconded. The motion passed.

The next meeting is February 17, 2000.

The Chairman adjourned the meeting at 4:06 p.m.