

## MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairman David Wysong at 8:30 a.m. on February 5, 2009, in Room 545-N of the Capitol.

All members were present except:  
Senator Jay Emler- excused

Committee staff present:  
Mr. Margaret Cianciarulo, Committee Assistant  
Mr. Ken Wilke, Office of the Revisor of Statutes  
Mr. Julian Efird, Kansas Legislative Research Department  
Mr. Reed Holwegner, Kansas Legislative Research Department

Conferees appearing before the Committee:  
Mr. Adrian Polansky, Secretary, Department of Agriculture  
Mr. Jim Garner, Secretary, Department of Labor

Others attending:  
Please see attached list.

### **Presentation on Agriculture in our State's Economy**

Upon calling the meeting to order, Chairman Wysong called on Mr. Adrian Polansky, Secretary, Department of Agriculture, who presented testimony covering the historic significance of agriculture, where they have been, and thought of the future including:

- facts and figures regarding Kansas' ranking in U.S. Agriculture in 2007 such as Kansas ranking sixth nationally in farm product exports, which were valued at more than \$3.8 billion
- the Kansas Bioproducts economy and production such as 600 permanent jobs already created in the Kansas ethanol plants, with 12 plants having capacity to produce 520 MGY
- Biofuels benefit to customers for example, Kansans saving between 22 and 43 cents per gallon on gasoline as a result of ethanol blends
- the future of genetics for example by 2012 Monsanto's first drought tolerant corn should reach farmers expecting to provide a 10 percent yield increase
- food prices in perspective, agricultural price volatility, and regarding the Kansas Ag lender, they are not involved in the sub-prime lending crises
- USDA forecasts for 2009, factory affecting producers and the future of Kansas agriculture

A copy of his presentation is ([Attachment1](#)) attached hereto and incorporated into the Minutes as referenced.

The Chair thanked Secretary Polansky and asked for questions or comments from the Committee which came from Senators Kelsey, Reitz, and Wysong including what is your sense on commodity prices for the next six months? Regarding Ventria, asked to expand on it and what new products are they looking at? Regarding drought-resistant corn, will they be able to use the entire plant (stalk, husk and kernel)?

### **Overview of the Department of Labor by Mr. Jim Garner, Secretary**

The Chair then recognized Mr. Jim Garner, Secretary, Department of Labor who offered an overview of the department stating he had put together a compilation of important numbers and charts concerning the programs administered by KDOL. Highlights of his testimony included:

- the December unemployment rate was 4.9 percent, up from 4.0 percent last year,

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- in CY 2008:

- 1) Kansans filed more than 178,000 initial claims for unemployment, a 24 percent increase from 2007
- 2) claims between September and December of 2008 increased more than 65 percent when compared to the same time last year
- 3) they paid \$321 million in unemployment benefits to out-of-work Kansans

- the same type of statistics were listed in his testimony regarding:

- 1) Emergency Unemployment Compensation Act of 2009
- 2) Unemployment Insurance Trust Fund
- 3) Unemployment Tax Reductions, which is one of the most significant new laws in the 2007 session **SB83** provides major tax relief to employers and reformed the antiquated waiting week for those receiving UI benefits.

- Call Center Operations updates especially in light of the increase in lay offs and demands for unemployment benefits and the two new federal extensions of UI benefits. (Ex. Extended hours, overtime, 30 additional employees.)

- recent accomplishments of the Unemployment Insurance Modernization Project including debit cards, electronic filing of wage reports and tax payments, document imaging and customer service projects.

- Labor Market Information Services such as the new KLIC Online Service and the 2008 Kansas Economic Report

- and lastly, he covered Workers Compensation regarding the 2008 Oregon Study, the Advisory Council and the FY2008 statistical report from KDOL's Division of Workers Compensation.

A copy of his testimony is ([Attachment 2](#)) . A list of his attachments is shown on the last page of his testimony on page 7 and can be found in Chairman Wysong's office.

The Chair thanked Secretary Garner and asked for questions and comments from the Committee which came from Senators Lynn and Wysong including:

- Referring to the Status of the Unemployment Insurance Trust Fund handout, page one for years 2001, 2002, 2003 and 04 and then it changes over to page two, it looks like the fund lags the actual downturn but maybe a year, is that possible?

- We are starting to hear a lot of quality jobs programs elsewhere (ex. Missouri and Colorado) where employees are permitted to keep a percentage of their employee withholding taxes to bring in jobs to the state wouldn't this have an impact on the trust fund?

- Thank you for what you have done, for handling the phone call situation at the Call Center (due to the high volume of calls for unemployment causing longer wait time or not able to get through.)

### Adjournment

As there was no further business, Chairman Wysong adjourned the meeting. The time was 9:27 a.m.

The next meeting is scheduled for Tuesday, February 10, 2009.