

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairman Karin Brownlee at 8:30 A.M. on January 12, 2005 in Room 123-S of the Capitol.

All members were present:

Committee staff present:

Kathie Sparks, Legislative Research
Susan Kannarr, Legislative Research
Helen Pedigo, Revisor Statutes
Jackie Lunn, Committee Secretary

Conferees appearing before the committee: Lew Ebert, President of Kansas Chamber of Commerce and Industry

Others attending:

See Attached List.

Chairperson Brownlee called the meeting to order. The Chair welcomed everyone to the Commerce Committee's first meeting for the 2005 session. The Chair asked each committee member to introduce themselves and indicate their interest in the Commerce Committee. The new committee secretary, Jackie Lunn, was introduced and staff were introduced.

Chairperson Brownlee introduced Mr. Lew Ebert, President of the Kansas Chamber of Commerce and Industry. Chairperson Brownlee stated that Mr. Ebert would give an overview of how the Kansas economy is viewed and what the climate looks like at this point.

Mr. Ebert stated the goal of the Kansas Chamber of Commerce and Industry is to make Kansas the best state in America in which to do business. He stated the KCCI measures what is going on in the Kansas business climate by developing a number of indices. Kansas needs to compete with every state in America and not just Missouri. Mr. Ebert provided the committee with a presentation entitled "The Kansas Chamber's 2nd Annual Competitive Index" dated November 18, 2004. (Attachment 1) This index ranks the state's performance in five major areas: education & workforce, business costs & productivity, government & regulation, infrastructure & quality of life and dynamism & entrepreneurship. The presentation indicated the state's competitive economic performance over the past five years has changed little. Kansas has an opportunity to become the preeminent innovation economy in the Plains States and is at a crossroads to lead with growth strategies or be overtaken.

During questions and answers, the committee discussed the need for our Regents institutions to incorporate entrepreneurship into their curriculum. It was decided that the Regents would be invited to the committee to discuss their progress in this.

Mr. Ebert also presented the committee with a presentation of a survey of 300 business owners and operators in the state of Kansas (attachment 2) and a survey of 500 registered voters in the state of Kansas (attachment 3) completed by Cole Hargrave Snodgrass & Associates, Inc.

The key findings of the survey of business owners and operators are: business leaders in Kansas are becoming optimistic about the economy in the state, although it is fragile and at this time significant job growth is not expected, business taxes remain as a top concern and the concern is greater than 10 months ago. Instead of incentives or subsidies, business leaders would prefer addressing the actual costs of doing business, i.e. tackling tort reform, reigning in taxes and reducing health care cost drivers.

Voters in Kansas concluded the general mood is more positive than last year even though they are more concerned about their jobs than in previous years. Voters believe the best way to spur the economy is to cut taxes, slow government spending, make health insurance more affordable and stop lawsuit abuses.

Mr. Ebert closed with a presentation "The Kansas Chamber of Commerce 2005 Kansas Jobs First Package" (attachment 4) which summarizes what policy makers must do to tackle the rough issues that hinder the Kansas economy, limit our growth and stifle our prosperity.

CONTINUATION SHEET

MINUTES OF THE Senate Commerce at 8:30 A.M. on January 12, 2005 in Room 123-S of the Capitol.

Also included in the handouts of the KCCI is was a LJW press release on the Kansas' economic conditions being the lowest in this region during December. (Attachment 5)

The meeting was adjourned at 9:33 a.m. The next meeting will be at 8:30 a.m. on January 14, 2005 in Room 123S.