

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairman Donald Dahl at 9:00 a.m. on March 20, 2003 in Room 243-N of the Capitol.

All members were present except: Representative Tom Holland, Excused  
Representative Rick Rehorn, Unexcused

Committee staff present: Jerry Ann Donaldson, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
June Evans, Secretary

Conferees appearing before the committee: Lt. Governor John Moore, Secretary of Commerce and Housing

Others attending: See attached sheet

The Chairman opened the meeting and stated this may be the last meeting this session. The committee could meet March 21, 24 and 25, but right now there is not anything on the agenda.

The Chairman welcomed Lt. Governor John Moore to the committee.

Lt. Governor John Moore gave some of his background. For the last 20 years he was a senior executive with Cessna Aircraft and in that capacity had a number of responsibilities. He made the decision twice to expand Cessna in the state of Kansas. He has been very active in the state and was past Chairman of the State Chamber of Commerce, (KCCI), Kansas, Inc., and KTEC.

He believes, as the Secretary of Commerce, one of his responsibilities is to make sure there is an environment in which Kansas businesses can succeed and grow. There is another responsibility he believes he has and that is to make sure that businesses can easily do business in the state of Kansas. Companies look for cities and cities also need to look for companies. We want to help Kansas businesses expand. We need to retain Kansas businesses.

Regarding the Economic Development Initiative Fund (EDIF) administered by the Commerce Department since 2000 there has been a 34% reduction in the fund. There needs to be some debate and discussion on the role of EDIF. Some of the funds needs to go into education. If we stop providing incentives and stop making investments in the state of Kansas, what will happen is what has happened traditionally -- our recovery in the state will trail the national recovery by 18 months. The Secretary understands why it happens in the aviation industry but is not sure why it happens in the rest of the state. We need to make certain the state does not have an 18 month lag. The mission and impact of every organization in the state deals with economic development. We need to redefine agencies and work together. The cabinets have to work together on economic development so we don't confuse the businesses we want to attract. There are many agencies within the Governor's cabinet that meet weekly with Revenue and Human Resources so that we will not have a conflict

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE at 9:00 a.m. on March 20, 2003 in Room 243-N of the Capitol.

between Revenue and Commerce. There are 32 programs that run through 6 agencies, the Governor's office, regents and some school boards. We are studying to determine if some of these programs should be consolidated. Other states have combined some of these programs and it is working well. I am impressed by what Georgia has done. Every place I have gone, Georgia has been there. We can not even agree on how much training costs. I suggest we spend about \$200M a year. If we can spend that on more effective training programs, then we are better off. I do not just want to increase our spending but desire to spend more effectively. Cities and counties need to be very aggressive when pursuing businesses.

Marilyn Graham, Program Manager, Community Development Block Grant Program, stated she has the privilege of working with small cities under 2,000 population and counties under 200,000 population. In Kansas that is 637 small communities and 104 counties. Working with rural Kansas throughout the last 1 ½ years, she had the opportunity to work with some of our community development block grant money for enterprise facilitation projects. Enterprise facilitation is a way to provide local support to grow small businesses. It became a very exciting opportunity for groups of counties to meet and to work together to develop the local boards that provide resources, and links to resources, to help small businesses. About 1½ years ago there were 6 areas within the state that applied for the Enterprise Facilitation Program. Basically, what they wanted were technical assistance and some funds to help hire a facilitator for the different areas. All areas made proposals that were outstanding and it was very difficult to make choices. However, the 6 county consortium in Western Kansas, the 4 county consortium in Southcentral Kansas, the Sunflower Region and a 4 county group in the Southeastern part of the state qualified for those funds. In the Western part of the state, there have been over 400 introductions to the facilitator since they were funded a little over a year ago. They are on schedule in helping the small entrepreneurs develop their businesses. In Southcentral Kansas, Sunflower Region, we had over 250 introductions to date. The Southeastern part of the state, the quad county area, has been very excited about the program and there have been over 650 introductions. We are now beginning to see the success stories of the small entrepreneurs beginning to grow in those areas. After the award to those first 3 groups of counties the other three counties, some of them moved on and said they were such believers in the concept that they wanted to find a way and the Department found a way to fund 2 additional groups. We currently have a 5 county area in the Northeastern part of the state and a Midwest group funded with state dollars and those are on target, have been under contract about 4 months, and they are on schedule in the training. It is a very exciting time and a time for them to have the means to reach out, help them, and grow the small businesses that are needed in Kansas.

The Chairman stated there was a hearing on **HB 2267 - Service performed by certain alien agricultural workers not employment under employment security law** the last time the committee met. Jim DeHoff, Executive Secretary, AFL/CIO, proposed an amendment at that meeting. Since then Mr. DeHoff has received information and would like to withdraw his amendment.

The Chairman took **HB 2267** off the Table.

**Representative Johnson moved and Representative Hill seconded to move HB 2267 out favorably. The motion carried.**

The meeting adjourned at 10:05 a.m. The Chairman stated again he was not sure if the committee would meet again and thanked the members for their interest. The committee had been very cordial and professional and

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE at 9:00 a.m. on March 20, 2003 in Room 243-N of the Capitol.

it was a lot of fun to chair the committee.