

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET

The meeting was called to order by Chairman Larry Powell at 1:30 P.M. on March 12, 2008 in Room 431-N of the Capitol.

All members were present except:

Clay Aurand - excused  
Sharon Schwartz - excused  
Carl Holmes - excused  
Vaughn Flora - unexcused.

Committee staff present:

Jason Thompson, Revisor of Statutes  
Reed Holwenger, Kansas Legislative Research Department  
Joyce Bishop, Committee Assistant

Conferees appearing before the committee:

Mellisa Ness, Advocacy Coordinator, Saint Francis Community Services  
Earl Watkins, President, CEO, Sunflower Electric  
Wally Kerns, Executive Director, Kansas, Inc.  
Adrian Polansky, Secretary, Department of Agriculture  
Robert P. Moser, Jr., MD, Delegate, Kansas Academy of Family Physicians  
Brad Harrelson, Kansas Farm Bureau

Written testimony only was received from:

Carolyn Dunn, Stafford County Farmer  
Steve Baccus, President, Kansas Farm Bureau  
Paul Beck, President, Kansas Legislative Policy Group  
Penny Vogelsong, Chief Operating Officer, Wichita Center for Graduate Medical Education

Others attending:

See attached list.

Melissa Ness, Saint Francis Community Services, presented testimony regarding **Sub. for SB 453 (Attachment 1)**. She would like to see an amendment made to the bill on page 2, line F.

Chairperson Powell asked what the "X" in Barton County was.

Melissa said it was the central point of the state of Kansas.

Representative Doug Gatewood asked if she thought there would be duplication of services with existing programs with the new commission's services.

Melissa said it would be one of their charges and they need to focus on being a think tank and creating a sense of connectivity. There is room for duplication with the size of the area to be covered.

Representative Jason Watkins asked how it was to be funded?

Melissa was not certain and thought the other conferees could better address this.

Earl Watkins, President, CEO, Sunflower Electric presented testimony regarding **Sub. for SB 453 (Attachment 2)**.

Wally Kerns, State Director, Kansas Small Business Development Center, presented testimony regarding **Sub. for SB 453 (Attachment 3)**. He recommends taking the original SB 453 and its substitute, using the best of both, and moving forward. The Executive Director is not in **Sub. For SB 453**. The fiscal note was not based on the bill in committee right now. There would also be a cost for meetings. He thinks lifting that position to a secretary level would be more cost effective than creating a new bureaucracy. A think tank would serve a good purpose and move Kansas forward. A new entity would be better than using what we have now.

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Representative John Grange said Legislative Post Audit is working on streamlining departments. Do the departments talk to each other? Why do we need a new entity?

Wally Kerns said they do speak to each other. The think tank would be an advisory board to the Secretary of Rural Development. **SB 453** established a rural advisory bill. The **Sub. For SB 453** does not include an executive director position.

Representative Doug Gatewood said, regarding the think tank, that there is a lot of action regarding acquiring facilities, taking actions, etc. Is there a balloon that would create the think tank?

Wally Kerns said, no, he is sharing what Kansas, Inc. has put forth in their plan. As far as grant moneys and administering them, versus helping other communities access and administer grants, there is a lot of difference.

Adrian Polansky presented a neutral position paper on **Sub. For SB 453 (attachment 4)**.

Representative Watkins asked about section four, concerning the commission on rural policy grants. Where is the grant money coming from?

Adrian Ploansky said, we are not currently able to accept grants from some private foundations that provide resources for economic development due to being a state agency. This would be a place those funds could flow through as well as some federal agency funds.

Representative Watkins asked if the grants would come out of other nonprofit, or state funds. Page six, line nine, states it is still going through the division of accounting and budget.. By creating a new office under a new agency with a deputy secretary that is where he disconnects. It sounds like we will be duplicating services. Where is this money coming from and how are we paying for it? He is not going to be supportive until he gets those answers.

Adrian Polanski said the key difference is the deputy secretary elevates the position and creates a contact point that would be helpful. Those involved in day to day business don't get that input to improve things. They will be able to get the best brain power in the state to look at what is being done here and in other states regarding economic development.

Representative Watkins said we will pass this bill, create the new position, it will come to appropriations and that is when we will fund it?

Adrian Polansky said yes.

Representative Sydney Carlin asked about page six, line 15. It talks about the director of accounts and reports, etc. It will eventually be state general fund resources. Where is the money going to come from? Do we already have that account?

Jason Thompson, Legislative Research Department, said if there is money there and it earns interest it will be available. The bill does not say where the money comes from.

Representative Grange said they should use the best and brightest and think outside the box. What Commerce gave a staff member six months to call all the players, ask them to get together one day a week, and then come back to the legislature to report on it. He knows there must be staff in the existing departments to put this together. The concept makes sense without having to make another cog in the wheel.

Adrian Polansky said some would say the Secretary is not among the best and brightest. This process needs to go on continually. The rural communities who deal with this daily need to have people involved too.

Robert P. Moser, Jr., MD, Delegate, Kansas Academy of Family Physicians, presented testimony regarding **Sub. for SB 453 (Attachment 5)**.

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Representative Gatewood asked if his hospital participates in the J1 visa program.

Dr. Moser said they do not. They looked at some J1 visa and knew if they could not communicate well it would not work. In the surrounding counties there have been 36 physicians come and go over the past 15 years.

Representative Grange asked if he had an issue with people with no insurance.

Dr. Moser said there were only 6% in his county in 1992 who were uninsured. In 2005 data and last year, 16% are uninsured. Of those, 48% are below 200% of the poverty level. Regarding **SB 453** and **Sub. for SB 453**, he was in favor of the original bill. Now it has a fiscal note tied to it, is top heavy and is going nowhere. They just need to provide the tools to the community leaders to create the think tank with volunteers.

Brad Harrelson, Kansas Farm Bureau, presented testimony regarding **Sub. for SB 453 (Attachment 6)**. If we don't do something we will continue to get what we have gotten in the past. The concerns about duplication are prohibited in the bill. We should key in on the four main issues. Regarding costs, Kansas Farm Bureau rarely asks for help, but there is a vital state interest to coordinate the resources of the best and brightest minds that have studied these issues for years. With focused efforts and recommendations made in the future, you could actually get a better return on existing programs. What will be the cost if we don't do something? There is a substantial amount of USDA grants the state has not gone after. He didn't know there were prohibitions in state law to restrict state agencies from receiving grant funds. The grantors are willing to allow money to come to state agencies through this commission. It has been a collaboration between house and senate leadership and is bipartisan. There are no opponents yet on the House side.

Representative Watkins asked why we are lax in going after USDA funding. What is this going to cost?

Brad Harrelson said in comparison to other states we are behind the curve on accessing these funds. There are lots of rural programs that are not bearing fruit in Kansas. The new commission would have feedback on these issues.

Representative Grange said it is difficult to get information at times. If people are given the right incentive to call folks they can usually find the resources.

Brad Harrelson said that would in part be the roll of the newly created deputy secretary of this new entity.

Representative Gatewood said he likes the concept and supports its objective. You said the repetitive parts are prohibited. In reality, Kansas, Inc. and the grant program section need to be administered. If this is a think tank you would not have them administering a grant program. I don't see how duplication is prohibited.

Brad Harrelson said it was addressed to the agencies and the senate and he apologized that he was having difficulty finding the section. It was in section 3, line 25. It says the commission cannot duplicate.

Representative Carlin said the eternal question is how do we keep our youth in Kansas. What special focus does this bill provide to this issue? Would it take finding a completely new use for agricultural land to bring youth to the areas?

Brad Harrelson said that would also be a point of emphasis. Kansas Farm Bureau looked at this for over two years and a lot of these ideas are captured in the provisions of this bill.

Steven Baccus, President of Kansas Farm Bureau, presented written testimony only regarding **Sub. for SB 453 (Attachment 7)**.

Carolyn Dunn, Stafford County Farmer, presented written testimony only regarding **Sub. for SB 453 (Attachment 8)**.

Paul Beck, President, Kansas Legislative Policy Group presented written testimony only regarding **Sub. For**

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**SB 453** (Attachment 9).

Penny Vogelsang, Chief Operating Officer , Wichita Center for Graduate Medical Education presented written testimony only regarding **Sub. For SB 453** (Attachment 10).

Chairperson Powell appointed a subcommittee to meet Thursday and Friday this week regarding **Sub. For SB 453**. It will consist of John Grange, Chairperson, Representative Doug Gatewood and Representative Jason Watkins. Joyce Bishop will support the subcommittee if requested. It will meet at 1:30pm in Room 431-N.

The meeting adjourned at 3:25pm.

The next committee meeting is scheduled for March 24, 2008.