

MINUTES OF THE HOUSE COMMITTEE ON NEW ECONOMY.

The meeting was called to order by Chairperson Bill Mason at 3:30 p.m. on January 25, 2001 in Room 522-S of the Capitol.

All members were present except: Representative Troy Findley

Committee staff present: Lynne Holt, Legislative Research Department
Bob Nugent, Revisor of Statutes
Renae Jefferies, Revisor of Statutes
Rose Marie Glatt, Secretary

Conferees appearing before the committee: Lt. Governor/Secretary Gary Sherrer, KDOC&H

Others attending: See Attached

Representative Cox moved, seconded by Representative Beggs that the minutes from the January 23 meeting be approved. The motion carried.

Representative Dennis McKinney requested introduction of HB 2204 - a bill about workforce development. The bill would establish the workforce development loan program by creating a fund and providing for loan repayment, forgiveness and administration of the program. Without objection, it will be introduced as a bill.

Representative Doug Patterson requested the introduction of a concept bill concerning community improvement districts; concerning the issuance of revenue bonds to be used as a re-development tool. Without objection, the concept bill will be introduced as a bill.

Representative Aday requested that the housing bill that passed out of the House last year be introduced as a committee bill this year. HB 2205 relates to housing, administration of a state housing program and establishing a state housing corporation. Without objection, it will be introduced as a bill.

The Chairman introduced Lt. Governor Sherrer, KDOCH who in turn introduced his staff: Fred Schwien, Connie Fischer, Steve Kelly, Ned Webb, Randy Speaker, John Watson and Mary Lou McPhail. A packet was given to the committee members which included data on the location of national and international field offices (Attachment 1), Expenditures by Divisions FY 2001: Administration, Agriculture Products, Business Development, Trade Development, Travel and Tourism, Community Development and Division of Housing (Attachment 2), Expenditures by Category FY 2001: Operations and Services and Aid and Assistance to Communities, Business and Individuals (Attachment 3) and Expenditures by Source of Funds FY 2001: FEE Funds, EDIF Funds and Federal Funds (Attachment 4). He reviewed the Mission, Major Programs and FY 2000 Highlights of the Agriculture, Business Development, Community Development, Housing, Trade Development and Travel and Tourism Development Divisions (Attachment 5). He stated that the highlights of last year's programs are listed in the Fiscal Year 2000 Annual Report *Executive Summary*, copy on file at KDOC&H. A complete list of grant recipients are listed in their complete 2000 Annual Report. He explained the purpose and usefulness of the Resource Directory. Other materials given to the committee members included the Kansas 2001 Getaway Guide and three pages of favorable comments made by constituents on the quality of service given by the department. Copies of data on the KDOCH Awards, 1998 through 2000, were distributed listing the awards in each of the Representative's House Districts. All the materials listed above are on file at KDOC&H.

Discussion followed regarding the tour center in Olathe and the new tour center being built close to Interstate 435 at the Raceway. Several committee members expressed gratitude regarding the activities of KDOC&H in their communities. Secretary Sherrer explained the Department's procedure for analysis for businesses that need to change or expand and the community service tax credit program. Andrea Glenn's death was acknowledged

and Secretary Sherrer stated that as the Editor of "Kansas Magazine" she played a significant role in its evolution to a world class magazine. There will be a tribute to her in the next issue. The Kansas advertising budget was compared to that of the surrounding states and the vacancy of several positions within Travel & Tourism was questioned. In response to a request for information on counties not applying for grants, Secretary Sherrer agreed to furnish the committee with data on the grant requests from the individual counties as well as the kinds of jobs being created for Kansas broken down by urban and rural communities. He described the kinds of jobs being created and the definition of a "good job" in today's economy. He described some of the tourist attractions he saw last year, when he visited 55 Kansas counties in five days to see and promote 65-75 tourist attractions. The importance of tourism to Kansas was discussed. The issues of re-training for businesses and the emergency assistance program in Kansas were explained.

Chairman Mason stated that the funding mechanism for the departments is totally outdated and needs to be addressed by the Legislature and asked the Secretary for his view on the subject. The Secretary stated that he had always liked the dedicated fund, however that fund had been frozen and narrowed down to the point that it is no longer feasible to operate effectively from that fund. It should come out of the general fund, especially since they have proven the success of their programs with ROI figures. However history does not support that process, evidenced by the erosion of the EDIF funds. Their theories are good but he questioned whether they would be sustained over the years. He suggested that if they dedicate EDIF to 100 % Economic Development, there would be an additional \$17 to \$18 million dollars for economic development with sustained growth over the decades. Discussion followed regarding the will of the people versus the actual programs that are funded by EDIF. All agreed that it will be an important topic for this year.

The next meeting is January 30, 2001.

The Chairman adjourned the meeting at 4:45 p.m.