

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 P.M. on February 20, 2008 in Room 519-S of the Capitol.

All members were present except:

Valdenia Winn- excused  
Barbara Craft- excused  
Gary Hayzlett- excused  
Judy Morrison- excused  
Don Myers- excused

Committee staff present:

Emalene Correll, Kansas Legislative research Department  
Ryan Hoffman, Kansas Legislative Research Department  
Matt Todd, Office of the Revisor of Statutes  
Ann Deitcher, Committee Assistant

Conferees appearing before the committee:

Kelly D. Edmiston, Sr. Economist, Federal Reserve Bank of Kansas City

The Chair introduced Kelly Edmiston who addressed the subject of the U.S. economic picture by districts. (Attachment 1).

Mr. Edmiston reminded the Committee of the Bruce Springsteen song, “The House Is On Fire and There Are Vipers in the Grass”, saying the house isn’t on fire but there are vipers in the grass. He likened the “vipers” to the various declines in the economy. Speaking of the decline in the housing market he said that there were appreciations in many areas, such as the 11% appreciation in Topeka.

He explained that since most people’s wealth lays in their home, when real estate values decline, they feel threatened and stop spending. On the subject of the mortgage crisis, Mr. Edmiston stressed the importance of not waiting until foreclosure to act. There is help available for those facing the loss of their homes – often times from the banks and loan companies. There is also a “foreclosure hot line” where there are housing counselors anxious to help. The number to call the minute you become concerned is 1-800-995-HOPE.

Speaking of unemployment rates, Mr. Edmiston said that after a time on the roles, some people are known to become discouraged and give up looking for work, thus dropping the numbers. As the economy picks up, those same people might become encouraged and once again join the count of the unemployed.

Questions and answers followed.

The meeting was adjourned at 4:40. The next meeting is scheduled for Thursday, February 21, 2008.