

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairman David Wysong at 8:30 a.m. on January 27, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Oletha Faust-Goudeau- excused

Committee staff present:

Ms. Margaret Cianciarulo, Committee Assistant
Mr. Julian Efird, Kansas Legislative Research Department
Mr. Reed Holwegner, Kansas Legislative Research Department
Mr. Norm Furse, Office of the Revisor of Statutes
Mr. Ken Wilke, Office of the Revisor of Statutes

Conferees appearing before the Committee:

Mr. Frank Lenk, Director of Research Services & Chief Economist,
Mid-America Regional Council
Mr. Michael Beckloff, Chairman, Kansas Bio

Others attending:

Please see attached list.

Approval of Minutes

Upon calling the meeting to order, the Chair referred the Committee to the Minutes of January 15, 20 and 22 before them, stating that this year he would be asking them to respond before each Friday to the Committee Secretary with comments and if none are received, those Minutes would stand as approved. He then passed a sheet asking the Committee to indicate how they would like to receive their copy, either by email or by paper copy and they would take the majority vote.

Introduction of Bills

The Chair then asked if there were any legislation to be introduced. As there were none, he offered two.

The first was an act concerning the economic revitalization and reinvestment act; relating to the secretary of commerce and the Kansas development finance authority; authorizing the issuance of bonds for certain economic development projects. A motion was made by Senator Schodorf that the Committee introduce the proposed legislation. It was seconded by Senator Lynn and the motion carried.

The second was an act concerning the Kansas investments in major projects and comprehensive training relating to the secretary of commerce authorizing the funding of certain economic development projects. A motion was made by Senator Lynn that the Committee introduce the proposed legislation. It was seconded by Senator Lynn and the motion carried.

Presentation on Economy Forecasting

Chairman Wysong then called on Mr. Frank Lenk, Director of Research Services & Chief Economist for Mid-America Regional Council who offered a chart presentation on the 2009 Economic Forecast for the Metropolitan Kansas City area. Highlights included:

- with housing at the root of the problem, he compared Kansas, Missouri, and the U. S. foreclosures from 1979 to 2008;
- Kansas employment changes over the prior 12 months, including a comparison of Kansas City and the U.S.
- comparison of Kansas and the U.S. regarding transportation & utilities and profession & business services;

CONTINUATION SHEET

Minutes of the Senate Commerce Committee at 8:30 a.m. on January 27, 2009, in Room 545-N of the Capitol.

Page 2

including administration, waste, and sci-tech;

- and, why the economy is a dismal science, using the U.S. GDP forecasts and scenarios

A copy of Mr. Lenk's testimony is (Attachment 1) attached hereto and incorporated into the Minutes as referenced.

Chairman Wysong thanked Mr. Lenk and asked for questions and or comments which came from Senators Reitz, Schodorf, Wysong, Lynn, and Kelsey including: regarding housing, could that be a fictitious number in the stimulus package or a bottom line? If you did a Scenario 3, how long would it take it out? The federal government has made quite a few efforts to help foreclosures, in your opinion have they had any impact? Regarding growth in government jobs in scenario one, is a job just a job (government jobs as opposed to a business job)? Is confidence the thing that is keeping this thing muted? At what point can the growth start again, where does the money come from?

Presentation on Kansas Bio

After announcing what will be happening the next two weeks of Committee and having eight bills to work, Chairman Wysong then called on Mr. Michael Beckloff, Chairman, Kansas Bio who offered several examples of invest stated that with support of the Kansas Bioscience Industry, the KBA, and KTEC, Kansas Bio has formed the National Drug Development Accelerator (the Accelerator). The goal being to position Kansas as the ideal locale for conducting clinical research and drug development and in turn, attracting new businesses, jobs, and talent necessary to properly execute on this growing industry. He went on to explain why this is important and how it meshes with legislatures' efforts to expand the industry and grow jobs.

Mr. Beckloff also touched on what Kansas Bio has accomplished in Kansas including:

- Kansans have helped develop and have been involved in more than 50 of the world's top drugs and all of the top 30 drugs on the market including every SSR1 drug on the market today such as Prozac and Zoloft

- and, Kansas has twice as many physicians involved in clinical trails than anywhere else in the country, our region being in the five per capita for concentration of clinical research.

He offered historical data tracing back to Marion Laboratories with much of the expertise still residing here in Kansas and more returning because of growth opportunities. And briefly touched on the KU Cancer Center stating that every major pharmaceutical company around the world has come to Kansas to access our researchers.

Written testimony was not provided, but will be available at the next Committee meeting per the Chair's request.

Adjournment

As it was going on time for the next Committee meeting, Chairman Wysong adjourned the meeting. The time was 9:30 a.m.

The next meeting is scheduled for Wednesday, January 28, 2009.