

MINUTES OF THE HOUSE FED & STATE COMMITTEE

The meeting was called to order by Chairperson Representative Doug Mays at 1:35 p.m. on January 23, 2001 in Room 313-S of the Capitol.

All members were present.

Committee staff present: Theresa M. Kiernan, Revisor of Statutes
Russell Mills, Legislative Research Department
Shelia Pearman, Committee Secretary

Conferees appearing before the committee:

Lt. Gov. Gary Sherrer, Department of Commerce & Housing Secretary (KDOCH)
Jim Edwards, Kansas Chamber of Commerce & Industry
Bernie Koch, Wichita Area Chamber of Commerce

Others attending: See attached list

Without objection bill was introduced as requested by Tom Palace, Executive Director of the Petroleum Marketers and Convenience Stores Association regarding Sunday sales of Cereal Malt Beverage. [HB 2195]

Chairman re-opened hearing on HB 2038.

Lt. Governor Sherrer urged re-authorization of the lottery due to the economic impact on state funding including that of the Department of Commerce and Housing. The Economic Development Initiatives Fund (EDIF) was initiated with Lottery revenue to create new programs for innovation above and beyond what we are doing and was not intended to be used for operation purposes. Fifteen years later, the Department of Commerce and Housing is 100 percent dependent upon the Lottery proceeds for all their operating dollars. He acknowledged it was the voters choice to put the Lottery in the constitution. Additionally, we cannot back away from the commitment to change jobs, change training opportunities, and to build on a tourism industry that is beginning to emerge in this state without these kind of dollars. At this point in our fiscal life, we just are not capable to move away from the funding derived from the Lottery.

Questions from the committee were addressed including potential funding applied to a proposed economic fund to reduce airfare costs in Wichita because of this deterrent in attracting and keeping big businesses effects on Wichita and all of south-central and western Kansas. Various funding opportunities including partnerships with the State of cities, counties and commerce are encouraged to develop further planning and to maximize the State's Return on Investment.

The Lt. Governor's office distributed the following documents which are available from the Department of Commerce & Housing: *Kansas 2001 Getaway Guide*, *Putting Kansas Values to Work Resource Directory*, and the KDOCH Fiscal Year 2000 Annual Report.

Mr. Edwards (Attachment #1) supported the Lottery which has generated more than \$400 million invested in projects which have helped businesses recreate the vision that began in 1985. These funds have helped put people to work, retain jobs and helped develop Kansas products which are marketed worldwide. He also referenced the Kansas Industrial Training Program and Kansas Industrial Retraining Programs mentioned in Mr. DeHoff's written testimony (Attachment #2)

Mr. Koch voiced support the re-authorization of the Lottery on behalf of approximately 1850 members of their organization from the Wichita area. (Attachment #3) They also encourage the use of its revenue for economic development. A recent example of \$4.5 million expansion is a company which would add 30-50 new jobs in a service industry. In the past decade, call centers have had an important economic effect in Kansas with numerous employees having received training from EDIF funds. These companies have benefitted numerous Welfare-to-Work clients and other individuals.

Hearing on HB 2038 was closed.

Adjourned at 2:05. The next schedule meeting is January 24, 2001.