

MINUTES OF THE SENATE COMMERCE

The meeting was called to order by Chairman David Wysong at 8:30 a.m. on January 15, 2009 in Room 545-N of the Capitol.

All members were present except:

Senator Roger Reitz - excused

Committee staff present:

Ms. Margaret Cianciarulo, Administrative Assistant

Mr. Norm Furse, Kansas Legislative Revisor

Mr. Ken Wilke, Kansas Legislative Revisor

Mr. Reed Holwegner, Kansas Legislative Research

Mr. Julian Efird, Kansas Legislative Research

Conferees appearing before the Committee:

Mr. Alan Conroy, Director, Legislative Research Department

Mr. Tom Thornton, President & CEO, Kansas Bioscience Authority

Others attending:

Please see attached list.

Introductions

Upon opening the meeting, Chairman Wysong recognized his Staff, Committee Secretary and Secretary, Vice-Chair and Ranking Minority and welcomed all including Representative Lana Gordon and members of her House Economic and Development and Tourism Committee who had invited to this Committee meeting

Introduction of Bills

For the next order of business Chairman Wysong asked that the Committee introduce legislation on the following:

- 1) municipal bonds and interest rates;
- 2) cities and counties related to transportation and developing districts
- 3) tax increment financing regarding bond revenue sources

Senator Emler made a motion that the Committee introduce the proposed legislation. It was seconded by Senator Wagle and the motion carried

Presentation on the Kansas Defect

The Chair then called upon Mr. Allen Conroy, Director, Legislative Research Department who offered a summary of the State General Fund Outlook for the fiscal years 2008 through 2010. He stated that when the Consensus Revenue Estimating Group met, they revised down the current year estimate about \$211M in the current year, the second highest amount ever mainly in individual income tax. He went on to say that there is a possibility of a federal economic stimulus package that may address some of the shortfalls, but one of the components of the package being discussed is a tax reduction at the federal level and depending on the form and shape that may take, it could mean a reduction in State tax receipts. And lastly, Mr. Conroy offered several other pieces of information including profiles, receipts, how they worked through December, and the Consensus Estimated Memo that does give some discussion in terms of the ag sector. A copy of his testimony and attachments are (Attachment 1) attached hereto and incorporated into the Minutes as referenced.

Chairman Wysong then asked for questions from the Committee which came from Senator Kelsey asking is it accurate to say that Governor Sebelius cut entirely from her budget, the money for the Kansas Math and Science Academy and in your view, doesn't that eliminate this program?

As there was no further discussion on this presentation, the Chair offered some housekeeping information regarding when they tentatively plan to meet, a review of agendas for the next two weeks, and who to contact for specific bills.

Overview of the Kansas Bioscience Authority

The Chair then introduced Mr. Tom Thornton, President and CEO of the Kansas Bioscience Authority (KBA) who offered testimony on the progress of the Authority, its research infrastructure and development, and other parts of the business cycle including commercialization as well as expansion and attraction of businesses. He went on to say that KBA works to create, retain and expand bioscience job opportunities for all Kansans including several key investments made in 2008 and touched on outcomes (ex. In FY 2008 committed \$25.5M to 24 projects) and projected outcomes over the next five years (ex. Job creation jumps to 4,500 new jobs). He concluded by saying the Bioscience is leading the State's economic recovery citing the building of the National Bio and Agro-Defense Facility next year. A copy of his testimony and attachments are (Attachment 2) attached hereto and incorporated into the Minutes as referenced.

Chairman Wysong asked for questions and/or comments from the Committee which came from Senators Wagle, Kelsey, Lynn, and Representative Gordon including: Can you comment about the lawsuit from Texas on the NBAF location and will it delay implementation? Do you feel it important that we try to continue with the KAMS programs for the young people of Kansas? What do the Governor's recommendations in her budget reductions for this current year do to the KBA? And, was asked for suggestions regarding work force development at an early age, would KBA be willing to take this on, and is there a way to formalize the vision?

Adjournment

As there was no further business, Chairman Wysong thanked Mr. Thornton and announced the meeting was adjourned. The time was 9:30 a.m.

The next meeting is scheduled for Tuesday, January 20, 2009.

