

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on January 23, 2007, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Ken Wilke, Assistant Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Ray Dalton, Deputy Secretary, Health Care Policy, Kansas Department of Social and Rehabilitation Services
Sky Westerlund, Executive Director, Kansas Chapter, National Association of Social Workers
Phyllis Gilmore, Executive Director, Kansas Behavioral Sciences Regulatory Board
Stan Ahlerich, President, Kansas, Inc.

Others attending:

See attached list.

Bill Introductions

Senator Wysong moved, with a second by Senator Schodorf, to introduce a bill concerning increasing the limit of settlement authority of the secretary of corrections from \$500 to \$2,500. Motion carried on a voice vote.

Senator Teichman moved, with a second by Senator Wysong, introduction of a conceptual bill concerning giving local detention officers the same retirement benefits that are currently provided to state corrections officers. Motion carried on a voice vote.

Senator Teichman moved, with a second by Senator Kelly, introduction of a conceptual bill creating a new income tax credit program concerning establishing a deferred maintenance program for community colleges to address the \$150 million in identified needs. Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

SB 11--Enacting the alcoholism treatment facilities licensing act

Staff briefed the Committee on the bill. Ken Wilke, Revisor of Statutes Office, provided written information regarding **SB 11** (Attachment 1). Mr. Wilke explained that it was only through review of the proposed rules and regulations that this inadvertent oversight was found. He noted that the Joint Committee on Administrative Rules and Regulations requested that the bill be drafted.

The Chairman welcomed the following conferees:

Ray Dalton, Deputy Secretary, Health Care Policy, Kansas Department of Social and Rehabilitation Services, testified in support of **SB 11** (Attachment 2). Mr. Dalton requested that they would respectfully ask the Committee to remove Section 2 (b) from the bill. He noted that this provision excludes the promulgation and adoption of rules and regulations pursuant to K.S.A. 65-4001 et seq. from the savings clause set out in Section

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on January 23, 2007, in Room 123-S of the Capitol.

2 (a). Mr. Dalton explained that SRS is concerned this provision may call into question the validity of any regulations promulgated and adopted since 1998. Senator Emler mentioned that the definition of "impaired" may need to be cleared up and the Chairman requested language from the Revisor concerning that definition.

The Chairman welcomed Sky Westerlund, Executive Director, Kansas Chapter, National Association of Social Workers (KNASW), who testified in opposition to one small portion of the **SB 11 (Attachment 3)**. Ms. Westerlund explained that the current law concerning alcoholism and intoxication treatment restricts such a practitioner from providing substance abuse treatment, unless they are also licensed by the Kansas Department of Social and Rehabilitation Services as a drug treatment facility or program. She noted that this restriction conflicts with the professional license, creates a barrier to services, and discourages professionally licensed persons from offering substance abuse treatment in their private practice business. Language to correct this impediment would involve adding an exemption for clinical social workers in the definition of "treatment facility".

Chairman Umbarger welcomed Phyllis Gilmore, Executive Director, Kansas Behavioral Sciences Regulatory Board (BSRB), who presented neutral testimony regarding **SB 11 (Attachment 4)**. Ms. Gilmore provided some history about the Board and proposed an amendment to **SB 11** (proposed amendment attached to the written testimony). She also provided some excerpts from Attorney General Opinion No. 2006-23 which was written in response to the BSRB's question as to whether any of its clinical level licensees have statutory authority to provide addictions counseling without being certified by the Kansas Department of Social and Rehabilitation Services (SRS) as a treatment facility.

The Chairman closed the public hearing on **SB 11**.

Senator Barone moved, with a second by Senator Kelly, to adopt the amendment to **SB 11** proposed by Ms. Gilmore regarding treatment facility licensing with authorization for Revisor's wording. Motion carried on a voice vote.

Senator Taddiken moved, with a second by Senator Betts, to amend **SB 11** by striking Section 2 (b) of the bill, as proposed by Mr. Dalton, SRS. Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Teichman, a conceptual amendment to **SB 11** authorizing Revisor wording to add and define language regarding person who is under influence of alcohol or drugs. Motion carried on a voice vote.

Chairman mentioned that he would not work the bill at this time and wait for the balloon from the Revisor.

Chairman Umbarger welcomed Stan Ahlerich, President, Kansas, Inc., who gave a presentation on the Kansas Economy (**Attachment 5**). Mr. Ahlerich provided copies of a research report titled, "Indicators of the Kansas Economy" (IKE) which was prepared by Kansas, Inc., December of 2006 (**Attachment 6**). He explained that they used IKE data to provide a current snapshot of the State economy in comparison with the 6-state region average (Arkansas, Colorado, Iowa, Missouri, Nebraska and Oklahoma) and the U. S. average. Mr. Ahlerich noted that the national economy is very strong and the Kansas economy is doing well, but there are some areas of softness to look at. Mr. Ahlerich addressed employment and unemployment, entrepreneurship, agriculture, energy and other economic data (all detailed in attachment number 6). Committee discussion followed.

Chairman Umbarger opened the public hearing on:

SB 16--Joint committee on children's issues membership and authorizing committee to have ability to introduce legislation

Staff briefed the committee on the bill. There were no conferees to come before the committee. The Chairman closed the public hearing on **SB 16**.

The meeting adjourned at 11:55 a.m. The next meeting is scheduled for January 24, 2007.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

Date January 23, 2007

Name	Representing
Tim Madden	KDOC
Sky Westlund	KNASW
Dan Kerber	Kansas Inc
Star Ahlerich	Kansas, Inc
KEN DANIEL	KS SMALL BIZ. COM
Patricia Galbraith	Dept of Commerce
Stacy Chamberlain	SRS/AAPS
Ray Dalton	SRS
John Belser	SRS
Dallas Bauer	SRS
Arthur Beynants	Interv
Chip Wheelen	Asn of Osteo. Med.
LARRY BUENING	BD OF HEALING ARTS
Mark Stafford	"
Philip A. Hurley	PAT HURLEY & Co.
Luke Thompson	KHPA
Emily Mueller	Kansas Chamber
MARK BORANZAK	Capital Strategies
Mike Hatfield	Hatfield Gov't. Relations
Katie Zuberang	Keeney & Associates
Ed Cross	Ks Independent Oil & Gas Assoc.
Steve Solomon	TFI Family Services
Daphne Schmal	BSRB

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST

Date January 23, 2007

Name	Representing
Dana Petrus	K&A Assoc of Wheat Growers
Stuart Little	Little Govt. Relations
John Baker	Puegar, Smith & Assoc.
Shannon Bell	LGR
Katie Gates	Laura Kelly
Derek Hein	Hein Law Firm

MEMORANDUM

To: Senate Committee on Ways and Means

From: Kenneth M. Wilke, Assistant Revisor

Date: January 22, 2007

Subject: Senate Bill 11

This bill arose out of a question of statutory authority raised before the Joint Committee on Administrative Rules and Regulations at its May 25, 2006 meeting. The Committee was reviewing some regulations proposed by the Department of Social and Rehabilitation Services which were designed to implement provisions of Article 40 of Chapter 65 of the Kansas Statutes Annotated pertaining to alcoholism and intoxication treatment centers. The regulations were authorized to be promulgated by secretary pursuant to K.S.A. 65-4014. Unfortunately, K.S.A. 65-4003 (25) which defined the secretary to be the Secretary of Social and Rehabilitation Services was repealed in 1998 when several of the definitions in K.S.A. 65-4003 were moved to Chapter 59 of the Kansas Statutes Annotated. (See 1998 SB 536 or L.1998, Ch. 134, Sec. 52.) The Department of Social and Rehabilitation Services continued to administer the provisions of K.S.A. 65-4001 et seq. It was only through the review of the proposed rules and regulations that this inadvertent oversight was found.

As a result, the Joint Committee on Administrative Rules and Regulations requested that this bill be drafted. This draft was put together with input from representatives of the staffs of the Kansas Judicial Council and the Department of Social and Rehabilitation Services

Section 1 of the bill restores necessary definitions from the provisions of K.S.A. 65-4003 before its repeal in 1998. Unused definitions were culled out. Whenever possible definitions were updated to correspond to similar terms in K.S.A. 59-29b46.

Section 2 of the bill contains two subsections. Subsection (a) is a savings clause to treat the actions of the Department of Social and Rehabilitation Services and its Secretary during the period from July 1, 1998 to the effective date of this act as having been properly authorized; i.e. as if K.S.A. 65-4003 (25) had not been repealed. Subsection (b) was requested by Representative Holmes to exclude any rules and regulations which may have been promulgated pursuant to the provisions of K.S.A. 65-4001, et seq. during this period.

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(e) Notwithstanding the foregoing provisions of this section, the board may enter into reciprocal relations with boards of other states or endorse the training acquired by an applicant whereby licenses may be granted, without examination and upon payment of a licensure fee and a reciprocity fee, to duly licensed administrators from other states, provided the requirements for licensure of the state from which the applicant applies are as high as those in Kansas and the applicant is favorably recommended, in writing, by the board of the state in which the applicant is licensed.

(f) The expiration date of each license issued or renewed shall be established by rules and regulations of the board. Subject to the provisions of this subsection each license shall be renewable on a biennial basis upon the filing of a renewal application prior to the expiration date of the license and upon payment of the renewal fee established pursuant to rules and regulations of the board. To provide for a system of biennial renewal of licenses the board may provide by rules and regulations that licenses issued or renewed for the first time after the effective date of this act may expire less than two years from the date of issuance or renewal. In each case in which a license is issued or renewed for a period of time less than two years, the board shall prorate to the nearest whole month the license or renewal fee established pursuant to rules and regulations. No proration shall be made under this subsection (f) on delinquent license renewals or on temporary licenses.

History: L. 1970, ch. 265, § 5; L. 1975, ch. 328, § 6; L. 1978, ch. 255, § 3; L. 1981, ch. 252, § 2; L. 1993, ch. 64, § 4; July 1.

65-3508.

CASE ANNOTATIONS

1. Board's authority to revoke or otherwise discipline license holders reaches to all licensed persons, not just administrators. *Havens v. Board of Adult Care Home Administrators*, 17 K.A.2d 527, 530, 839 P.2d 1253 (1992).

Article 40.—ALCOHOLISM AND INTOXICATION TREATMENT

Revisor's Note:

Care and treatment of alcohol abuse in certain state institutions discontinued, see 76-12a30 et seq.

65-4003. Definitions. For the purposes of this act:

(1) "Alcoholic" means an individual who habitually lacks self-control as to the use of alcoholic beverages or uses alcoholic beverages to the ex-

tent that the individual's health is substantially impaired or endangered or the individual's social or economic function is substantially disrupted;

(2) "private treatment facility" means a private agency providing facilities for the care or lodging of alcoholics meeting the standards prescribed in K.S.A. 65-4013 and amendments thereto, and licensed under K.S.A. 65-4014 and amendments thereto, for the treatment of alcoholics or intoxicated individuals or individuals incapacitated by alcohol;

(3) "public treatment facility" means a treatment facility owned and operated by any political subdivision of the state of Kansas and licensed by the secretary under K.S.A. 65-4014 and amendments thereto, as an appropriate place for the care and treatment of alcoholic or intoxicated individuals or individuals incapacitated by alcohol;

(4) "treatment facility" means a public or private treatment facility, but such term shall not include a licensed medical care facility, a licensed adult care home, a facility licensed under K.S.A. 75-3307b and amendments thereto, a community-based alcohol and drug safety action program certified under K.S.A. 8-1008 and amendments thereto and performing only those functions for which the program is certified to perform under K.S.A. 8-1008 and amendments thereto or a psychologist or physician who treats in the usual course of the psychologist's or physician's professional practice alcoholics or intoxicated individuals or individuals incapacitated by alcohol and are not exclusively engaged in the usual course of the individual's professional practice in treating such individuals or a state institution even if detoxification services may have been obtained at a state institution;

(5) "committee" means the Kansas citizens' committee on alcohol and other drug abuse;

(6) "department" means the department of social and rehabilitation services;

(7) "emergency service patrol" means a patrol established under K.S.A. 65-4056 and amendments thereto;

(8) "incapacitated by alcohol" means that an individual, as the result of the use of alcohol, is unconscious or has impaired judgment so that (a) such individual is incapable of realizing and making a rational decision with respect to such individual's need for treatment; or (b) such individual lacks sufficient understanding or capacity to make or communicate responsible decisions concerning either such individual's well-being or estate;

"disabled individual" means an individual who has been adjudicated disabled pursuant to K.S.A. 59-3002 *et seq.*, and amendments thereto;

(10) "intoxicated individual" means an individual whose mental or physical functioning is substantially impaired as a result of the use of alcohol;

(11) "treatment" means the broad range of emergency, outpatient, intermediate and inpatient services and care, including diagnostic evaluation, medical, psychiatric, psychological, and social service care, vocational rehabilitation and career counseling, which may be extended to alcoholics and intoxicated individuals;

(12) "patient" means an individual who is a voluntary patient, a proposed patient or an involuntary patient;

(13) "voluntary patient" means an individual who is voluntarily receiving care or treatment at a treatment facility other than by order of any court;

(14) "proposed patient" means an individual for whom an application pursuant to K.S.A. 65-4032 and amendments thereto has been filed;

(15) "involuntary patient" means an alcoholic or an individual incapacitated by alcohol who is receiving care or treatment under an order of a district court;

(16) "other facilities for care or treatment" means any mental health clinic, medical care facility, nursing home, physician or any other institution or individual authorized or licensed by law to give care or treatment to any patient;

(17) "physician" means an individual licensed to practice medicine and surgery as provided by the Kansas healing arts act;

(18) "head of the treatment facility" means the administrative director of a treatment facility;

(19) "care or treatment" means such necessary services as are in the best interests of the physical and mental health of the patient;

(20) "discharge" means the final and complete release from care or treatment, by either an order of a district court pursuant to K.S.A. 65-4042 and amendments thereto or a treatment facility;

(21) the various terms defined in K.S.A. 59-3002 and amendments thereto for obtaining a guardian or conservator, or both, mean the same herein as they do in that act;

(22) "law enforcement officer" means any individual who by virtue of office or public employment is vested by law with a duty to maintain public order or to make arrests for crimes, whether

that duty extends to all crimes or is limited to specific crimes;

(23) "person" means any individual, firm, partnership, corporation, company, association, or joint stock association, and the legal successor thereof;

(24) "governmental unit" means any county, municipality or other political subdivision of the state; or any department, division, board or other agency of any of the foregoing;

(25) "secretary" means the secretary of social and rehabilitation services;

(26) "state institution" means Larned state hospital and Osawatimie state hospital to the extent that either facility offers alcoholism treatment detoxification programs;

(27) "psychologist" means an individual authorized to practice psychology as provided by the licensure of psychologists act of the state of Kansas;

(28) "designated state funded assessment center" or "assessment center" means a treatment facility designated by the secretary; and

(29) "counselor" means a state certified alcohol and drug abuse counselor.

History: L. 1972, ch. 241, § 3; L. 1975, ch. 330, § 1; L. 1976, ch. 279, § 4; L. 1976, ch. 151, § 8; L. 1978, ch. 256, § 1; L. 1981, ch. 353, § 8; L. 1982, ch. 268, § 3; L. 1984, ch. 242, § 1; L. 1986, ch. 299, § 11; L. 1996, ch. 235, § 6; Oct. 1.

Attorney General's Opinions:

DUI; mandatory imprisonment; custody of law enforcement officials. 93-20.

65-4012. Licensure of treatment facilities. No person or governmental unit acting severally or jointly with any other person or governmental unit shall establish, conduct or maintain a treatment facility in this state without a license under this law.

History: L. 1972, ch. 241, § 12; L. 1996, ch. 235, § 7; Oct. 1.

65-4013. Application for license; rules and regulations; fees. (a) An application for a license to establish, conduct, manage or operate a treatment facility shall be made to the secretary upon forms provided by the secretary and shall contain such information as the secretary may require, which may include affirmative evidence of ability to comply with such reasonable standards and rules and regulations as are lawfully adopted under this act and amendments thereto. In addition, the secretary may require that all applica-

Kansas Department of

Social and Rehabilitation Services

Don Jordan, Acting Secretary

Senate Ways and Means Committee
January 23, 2007

Senate Bill 11

Health Care Policy
Ray Dalton, Deputy Secretary
785-296-3773

For additional information contact:
Public and Governmental Services Division
Kyle Kessler, Deputy Secretary

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**Kansas Department of Social and Rehabilitation Services
Don Jordan, Acting Secretary**

Senate Ways and Means Committee
January 23, 2007

Senate Bill 11

Thank you Mr. Chairman and members of the Committee, my name is Ray Dalton and I am the Deputy Secretary for Health Care Policy at the Kansas Department of Social and Rehabilitation Services. I appreciate the opportunity to appear before you today to provide testimony on SB 11.

This bill was introduced by the Joint Committee on Administrative Rules and Regulations to correct a situation that originally occurred in 1998 when the care and treatment portion of the alcohol and substance abuse statutes was separated from the licensing statutes and moved to the probate code on the recommendation of the Judicial Council. When this action was taken, K.S.A. 65-4003 containing definitions was repealed in Chapter 65, Article 40 and a definitions section was included in Chapter 59. An unintended consequence of this was that although Article 40 gives the "secretary" certain duties and responsibilities, including the requirement to adopt rules and regulations, it no longer defines "secretary" as meaning the Secretary of Social and Rehabilitation Services.

This oversight was discovered during a recent presentation to the Joint Committee on Administrative Rules and Regulations when a set of proposed regulations was in the process of being promulgated. This bill, which re-adopts most of the definitions previously contained in the repealed statute, is needed to clarify that the Secretary of SRS is the "secretary" referred to in the Act, and to validate actions taken pursuant to K.S.A. 65-4001 et seq. since July 1, 1998.

For these reasons SRS is generally supportive of SB 11. However, we would respectfully ask the Committee to remove Section 2 (b) from the bill. This provision excludes the promulgation and adoption of rules and regulations pursuant to K.S.A. 65-4001 et seq. from the savings clause set out in Section 2 (a). We are concerned this provision may call into question the validity of any regulations promulgated and adopted since 1998.

With that amendment striking Section 2 (b), we would support the bill and ask that it be acted on favorably by the Committee.

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Senate Bill 11

Concerning facilities for the treatment of alcoholism and intoxication

Sky Westerlund, LMSW

Executive Director, Kansas Chapter, National Association of Social Workers (KNASW)

KNASW is the professional association working on behalf of the profession and practice of social work in Kansas. Social workers have been licensed to practice at three levels of expertise since 1976. These are the baccalaureate (LBSW), the master (LMSW), and the clinical social worker (LSCSW). There are over 5500 social workers practicing and serving thousands of persons in Kansas every day. Social work is a broad and inclusive profession which allows social workers to provide services and care in a wide variety of settings, such as child welfare, juvenile justice, private practice, military bases, hospitals, hospices, disaster events, domestic violence, aged care, substance abuse, community mental health centers, schools, public health organizations, community programs and many more.

SB 11, as introduced, impedes a duly licensed clinical social worker from offering substance abuse treatment in their community. Substance abuse includes addictions treatment such as alcoholism and drug abuse.

For example, a clinical social worker has opened a private practice business in his or her community. By law, this practitioner is authorized to diagnose and treat persons with problems that are identified in the Diagnostic Statistical Manual (DSM). Substance abuse and alcohol problems are included in the DSM as diagnosable disorders.

The current law concerning alcoholism and intoxication treatment (chapters 59 and 65), restrict such a practitioner from providing substance abuse treatment, unless they are also licensed by the Social and Rehabilitation Services as a drug treatment facility or program.

This restriction conflicts with the professional license (LSCSW), creates a barrier to services, and discourages professionally licensed persons from offering substance abuse treatment in their private practice business.

Language to correct this impediment would involve adding an exemption for clinical social workers in the definition of "treatment facility" which is referenced to KSA 59-29b46.

Thank you for your consideration.

State of Kansas
Behavioral Sciences Regulatory Board



KATHLEEN SEBELIUS
Governor

PHYLLIS GILMORE
Executive Director

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SENATE TESTIMONY
WAYS AND MEANS COMMITTEE
January 23, 2007

SB 11

Mr. Chairman and Committee Members:

Thank you for the opportunity to testify today on SB 11. I am Phyllis Gilmore the Executive Director of the Kansas Behavioral Sciences Regulatory Board (BSRB).

The BSRB is the licensing board for most of the state's mental health professionals; the doctoral level psychologists, the master level psychologists, the clinical psychotherapists, the bachelor, master and clinical level social workers, the master and clinical level professional counselors, and the master and clinical level marriage and family therapists. Additionally, some of the drug and alcohol counselors are registered with the board, although most of them are certified with SRS at the present time.

After presenting some history, I would like to propose an amendment to SB 11.

The following excerpts are taken from Attorney General Opinion No. 2006-23 which was written in response to the BSRB's question as to whether any of its clinical level licensees have statutory authority to provide addictions counseling without being certified by the Kansas Department of Social and Rehabilitation Services (SRS) as a treatment facility.

In 1981, then Attorney General Robert Stephan was asked this question in relation to psychologists. He opined that if psychological services were rendered, even on an out-patient basis, for the treatment of alcohol or drug abuse, a treatment facility was created pursuant to K.S.A. 65-4003(4) and/or 65-4602(b), and concluded that:

"The offering of such services creates a 'treatment facility' which must be licensed if it is to operate, and the fact that a person offering such services has been previously licensed as a practicing psychologist does not excuse him from this requirement."

In response to Attorney General Stephan's 1981 opinion, **the 1982 Kansas Legislature amended the statutory definition of "treatment facility" found at K.S.A. 65-4003(4) to additionally exclude:**

"A certified psychologist or a person licensed to practice medicine and surgery if such psychologist or person licensed to practice medicine and surgery treats in the usual course of their professional practice alcoholics

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or intoxicated persons or persons incapacitated by alcohol and are not exclusively engaged in the usual course of their professional practice in treating such persons"

Then in 1998, the Legislature repealed K.S.A. 65-4003. The effect of the repeal was to eliminate any statutory definition of "treatment facility" in the Alcoholism and Intoxication Treatment Act. However, since 1978 an SRS administrative regulation has been, and remains, in effect that defines "treatment program" as:

"Any place, building, couple of buildings, office or private dwelling, which provides treatment services to alcohol and/or drug abusing persons through the provision of guidance, supervision, and personal services designed to assist the individual in rehabilitation or habilitation to a healthy mode of living. The term alcohol and/or drug abuse treatment program shall not apply to licensed medical care facilities, licensed adult care homes, or licensed mental health centers."

Based on the foregoing analysis, we affirm the conclusion reached in Attorney General Opinion No. 81-90: The offering of alcohol treatment creates a treatment facility which must be licensed if it is to operate, and the fact that a person offering such services is licensed as a psychologist, a specialist clinical social worker, a clinical professional counselor, a clinical psychotherapist, a clinical marriage and family therapists or registered as an alcohol and other drug abuse counselors does not excuse such person from this requirement.

Whether such a dual license requirement is necessary or appropriate is a policy decision best left to the Legislature.

Relative to the above history, I respectfully request the attached wording be amended into SB 11. Essentially, this language amends in the previous exclusion for all of our current clinical professions.

We have prepared this proposal in cooperation with Debbie Stidham, Special Assistant to the Deputy Secretary of Health Care Policy and David Dickerson, Director of Addiction and Prevention Services and are appreciative of their help in this endeavor, as well as that of the Kansas Board of Healing Arts.

I will be happy to stand for questions.

Respectfully submitted,

Phyllis Gilmore
Executive Director

As used in K.S.A. 65-4012 and 65-4023, and amendments thereto, and any regulations adopted by the secretary of social and rehabilitation services to carry out the provisions of those statutes, the term "treatment facility" or "treatment program" shall not include a person licensed by the behavioral sciences regulatory board to diagnose and treat mental disorders at the independent level, or a person licensed by the state board of healing arts to practice a branch of the healing arts, who treats patients in the usual course of professional practice, but who does not engage primarily in alcohol abuse and addiction treatment.

September 1, 2006

ATTORNEY GENERAL OPINION NO. 2006- 23

Phyllis Gilmore, Executive Director
Behavioral Sciences Regulatory Board
712 S. Kansas Avenue
Topeka, Kansas 66603

Re: Public Health--Alcoholism and Intoxication Treatment--Licensure of Treatment Facilities; Applicable to Psychologists, Specialist Clinical Social Workers, Clinical Professional Counselors, Clinical Psychotherapists, Clinical Marriage and Family Therapists and Registered Alcohol and Other Drug Abuse Counselors

Synopsis: The offering of alcohol treatment creates a treatment facility which must be licensed if it is to operate. The fact that a person offering such services is licensed as a psychologist, a specialist clinical social worker, a clinical professional counselor, a clinical psychotherapist, a clinical marriage and family therapist or registered as an alcohol and other drug abuse counselor does not excuse such person, *i.e.*, the facility, from this requirement. Whether such a dual license requirement is necessary or appropriate is a policy decision best left to the Legislature. Cited herein: K.S.A. 65-4001; K.S.A. 65-4602 ; K.S.A. 65-4003(4), repealed, L. 1982, ch. 269, § 3; K.S.A. 65-4012; K.S.A. 65-4022; ;L. 1998, ch. 134, §1; L. 1998, ch. 134, § 52; K.A.R. 30-31-1.

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Dear Mrs. Gilmore:

As Executive Director of the Behavioral Sciences Regulatory Board, you ask whether any of the following licensed persons have statutory authority to provide addictions counseling without being licensed by the Kansas Department of Social and Rehabilitation Services (SRS) as a treatment facility: psychologists, specialist clinical social workers, clinical professional counselors, clinical psychotherapists, or clinical marriage and family therapists. Additionally, you pose the same question regarding registered alcohol and other drug abuse counselors.

In 1981, then Attorney General Robert Stephan was asked this question in relation to psychologists. He opined that if psychological services were rendered, even on an out-patient basis, for the treatment of alcohol or drug abuse, a treatment facility was created pursuant to K.S.A. 65-4003(4)¹ and/or 65-4602(b),² and concluded that:

"The offering of such services creates a 'treatment facility' which must be licensed if it is to operate, and the fact that a person offering such services has been previously licensed as a practicing psychologist does not excuse him from this requirement."³

Then, as now, the Alcoholism and Intoxication Treatment Act⁴ prohibited persons from establishing, conducting or maintaining a treatment facility without a license;⁵ doing so was, and is, punishable as a class C misdemeanor.⁶ The 1981 opinion was grounded, in large part, on the definition of "treatment facility" found at K.S.A. 65-4003(4) which, in 1981, specifically excluded *only* licensed medical care facilities, licensed adult care homes, psychiatric hospitals, community mental health centers and facilities for the mentally retarded or other handicapped persons.

In response to Attorney General Stephan's 1981 opinion,⁷ the 1982 Kansas Legislature amended the statutory definition of "treatment facility" found at K.S.A. 65-4003(4) to additionally exclude:

¹Definition of treatment facility for purposes of alcoholism treatment.

²Definition of treatment facility for purposes of drug treatment.

³Attorney General Opinion No. 81-90.

⁴K.S.A. 65-4001 *et seq.*

⁵K.S.A. 65-4012.

⁶K.S.A. 65-4022.

⁷See *Minutes*, House Public Health and Welfare Committee, March 29, 1982 (John Peterson, appearing for the Kansas Association for Professional Psychologists, testified that the Attorney General's Opinion ruled to the effect that an individual practitioner who provided alcohol treatment services was in fact a treatment facility. Mr. Peterson further stated that he did not know if that was the intent of the law,

"A certified psychologist or a person licensed to practice medicine and surgery if such psychologist or person licensed to practice medicine and surgery treats in the usual course of their professional practice alcoholics or intoxicated persons or persons incapacitated by alcohol and are not exclusively engaged in the usual course of their professional practice in treating such persons" ⁸

This amendment removed the dual license requirement for psychologists and doctors that Attorney General Stephan's opinion had mandated. Then in 1998, the Legislature repealed K.S.A. 65-4003. ⁹ The effect of the repeal was to eliminate any statutory definition of "treatment facility" in the Alcoholism and Intoxication Treatment Act. ¹⁰ However, since 1978 an SRS administrative regulation has been, and remains, in effect that defines "treatment program" as:

"Any place, building, couple of buildings, office or private dwelling, which provides treatment services to alcohol and/or drug abusing persons through the provision of guidance, supervision, and personal services designed to assist the individual in rehabilitation or habilitation to a healthy mode of living. The term alcohol and/or drug abuse treatment program shall not apply to licensed medical care facilities, licensed adult care homes, or licensed mental health centers." ¹¹

While the current regulatory definition differs somewhat from the now repealed K.S.A. 65-4003(4) statutory definition, the former excludes as the latter excluded certain types of facilities from the scope of "treatment program" or "treatment facility" As Attorney General Stephan opined in 1981, "[g]iven [these limited exceptions], there would appear to be no avenue open to a private individual who wished to operate a treatment facility but to submit to licensure."

but believed the Attorney General's Opinion extended beyond what the Legislature intended. The House committee then added language excluding psychologists and doctors who provide alcohol treatment in the course of their practice; this exclusionary language was enacted into law).

⁸L. 1982, Ch. 268, § 3.

⁹L. 1998, Ch. 134, § 52.

¹⁰The repeal of K.S.A. 65-4003 and a number of other statutes within the Alcoholism and Intoxication Treatment Act occurred a part of a comprehensive recodification of the Care and Treatment for Persons with an Alcohol or Substance Abuse Problem Act, K.S.A. 59-29b45 *et seq.*. See L. 1998, ch. 134, § 1 *et seq.* The definition of "treatment facility" in that act continued to exclude "a psychologist or physician, who may treat in the usual course of the psychologist's or physician's professional practice individual incapacitated by alcohol or other substances, but who are not exclusively engaged in the usual course of the individual's professional practice in treating such individuals." However, this exclusion was entirely removed from the Alcoholism and Intoxication Treatment Act with the repeal of K.S.A. 65-4003.

¹¹K.A.R. 30-31-1(10).

Phyllis Gilmore
Page 4

Based on the foregoing analysis, we affirm the conclusion reached in Attorney General Opinion No. 81-90: The offering of alcohol treatment creates a treatment facility which must be licensed if it is to operate, and the fact that a person offering such services is licensed as a psychologist, a specialist clinical social worker, a clinical professional counselor, a clinical psychotherapist, a clinical marriage and family therapists or registered as an alcohol and other drug abuse counselors does not excuse such person from this requirement. Whether such a dual license requirement is necessary or appropriate is a policy decision best left to the Legislature.

Sincerely,

Phill Kline
Attorney General

Camille Nohe
Assistant Attorney General

PK:JLM:CN:jm

Kansas, Inc. Testimony
Senate Ways and Means Committee
January 23, 2007
Stan R. Ahlerich, President

Chairman Umbarger, members of the Senate Ways and Means Committee, Kansas, Inc. appreciates the opportunity to share with you the current status of the Kansas economy.

The framework for our testimony will primarily be based on two Kansas, Inc. reports, including:

- *Indicators of the Kansas Economy (IKE)*, Kansas, Inc., December 2006.
- *Trends in the Kansas Economy 1985 – 2006*, by Dr. Charles Krider, Professor, School of Business, University of Kansas for Kansas, Inc., August 2006.

Within our testimony, we will use IKE data to provide a current “snapshot” of the State economy in comparison with the 6-State Region average (Arkansas, Colorado, Iowa, Missouri, Nebraska, and Oklahoma) and the U.S. average. Time permitting; this overview will be followed with a brief discussion of some of the twenty-year trends from Dr. Krider’s report.

Also, within the information we have provided you, we have included the following items:

- *Kansas, Inc. Publications List* – A list of recent Kansas, Inc. research.
- An overview of *Trends in the Kansas Economy 1985 – 2006* and *Issues and Trends Identification in Kansas*. As a backdrop to Kansas, Inc.’s Strategic Planning efforts, these reports were designed to provide a brief overview of several of the trends and issues that are currently faced within the Kansas economy.
- Follow up to questions from other Committees regarding the IKE report.

Again, we thank you for the opportunity to stand before you and answer any of your questions. We applaud the common sense approach your Committee has taken to assess the Kansas economy so as to build prudent policies for our future.

Senate Ways and Means
1-23-07
Attachment 5



Kansas, Inc. Publications List

The following publication list outlines recent Kansas, Inc. research. Several publications are available through our website www.kansasinc.org or a copy may be obtained by contacting our office. Depending on availability, a charge may be associated with a hard copy. Please contact us for more information at (785) 296-1460.

Annual Publications

Kansas, Inc. FY 2006 Annual Report, Kansas, Inc., October 2006

Grants and Loans: Report for Fiscal Year 2006, Kansas, Inc., December 2006.

County Economic Vitality and Distress, 2005 Report Update, Kansas, Inc., August 2006.

Economic Development Legislation in Kansas: A Chronological History FY 2006 Report Update, Kansas Inc., December 2006.

Indicators of the Kansas Economy

Indicators of the Kansas Economy, Kansas, Inc., March 2006, July 2006, September 2006, & December 2006.

Economic Trends Reports

Trends in the Kansas Economy 1985 – 2006, by Charles Krider, Professor, School of Business, University of Kansas, and Genna Hurd, Research Associate and Dane Hanson, Research Assistant, Institute for Policy and Social Research, University of Kansas for Kansas, Inc., August 2006.

Issues and Trends Identification in Kansas, by Mary Jane Townsend, Research Associate, Debra Franklin, Regional Labor Force Analyst, Janet Harrah, Director, and Anne Gallagher, Senior Research Associate, Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University for Kansas, Inc., December 2006.

Industry-Specific Reports

Kansas Aerospace Industry Forecast, by Janet Harrah, Director and Steven Miller, Ph.D., Regional Economic Analyst and Anne Gallagher, Senior Research Associate, Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University for Kansas, Inc., May 2006.

Agriculture Commodities Future: Assess Competitive Threats to the Kansas Economy, by James Mintert, Ph.D., Professor and Michael Woolverton, Ph.D., Professor and Terry Kastens, Ph.D., Professor and John Leatherman, Ph.D., Associate Professor, Department of Agricultural Economics, Kansas State University for Kansas, Inc., January 2006.

Energy Research Survey & Database for Kansas, by Richard Nelson, Director, Engineering Extension Programs and Andrew Barkley, Department of Agricultural Economics, Kansas State University and Scott White, Energy Research Center, University of Kansas for Kansas Inc., January 2006.

Taxation Reports

The County-to-County Migration Patterns of Kansas Taxpayers, 1985-2004, by Arthur P. Hall, Ph.D., Executive Director, Center for Applied Economics, University of Kansas School of Business and J. Scott Moody, President and Wendy P. Warcholik, Ph.D., Vice-President, Economic Analysts, Inc. for Kansas, Inc., October 2006.

Property Tax Comparisons Among Kansas Localities and Select Cities of the United States, by Arthur P. Hall, Ph.D., Executive Director, Center for Applied Economics, University of Kansas School of Business for Kansas, Inc., May 2006.

Consumer Sentiment Reports

Kansas Consumer Sentiment & Rating of State Government's Performance at Assisting the Kansas Economy 2006, by Brett Zollinger, Ph.D. Director, The Docking Institute of Public Affairs, Fort Hays State University for Kansas, Inc., December 2006.

Kansas Consumer Sentiment 3rd Quarter 2006

Kansas Consumer Sentiment 2nd Quarter 2006

Kansas Consumer Sentiment 1st Quarter 2006

Miscellaneous Reports

Attracting and Retaining National Corporate Headquarters in Kansas, by David Burress, Ad Astra Institute of Kansas, Inc. for Kansas, Inc., November 2006.

A Brief History of Workforce Development in Kansas, Kansas, Inc., June 2006.

Kansas Industry Concentration Initiative: Further Analysis of the Southeast Kansas Region, Kansas, Inc., June 2006.

Productivity Reports

A Brief Economic History of Kansas, 1969-2003: An Executive Summary for a Series of Reports, by Arthur P. Hall, Ph.D. and Peter F. Orazem, Ph.D., University of Kansas School of Business for Kansas, Inc., August 2005.

Long-Term Economic Trends in the Regions of Kansas, 1969-2003

Long-Term Industry Trends in the Regions of Kansas, 1969-2000: Part I - An Industry Focus

Long-Term Industry Trends in the Regions of Kansas, 1969-2000: Part II - A Regional Focus

Economic Trends Along the Kansas-Oklahoma Border, 1969-2003

Economic Trends Along the Kansas-Nebraska Border, 1969-2003

Economic Trends Along the Kansas-Missouri Border, 1969-2003

Economic Trends Along the Kansas-Colorado Border, 1969-2003



Upcoming Publications/Research

The following list outlines upcoming Kansas, Inc. publications and research. (This list is subject to change.) As publications are completed, they will be available through our website www.kansasinc.org or a copy may be obtained by contacting our office. Depending on availability, a charge may be associated with a hard copy. Please contact us for more information at (785) 296-1460.

Research

In-House – Vitality & Distress, Grants & Loans, Chronological History, Indicators of the Kansas Economy

Post K-12 Education & Technical Training: Meeting the Needs of the Business Community

Quantifying the Financial Burden of Health Insurance for Small Employers

Evaluation and Assessment

Evaluation of the Kansas Department of Commerce – Expected to be completed by June 2007.

Evaluation of the Kansas Technology Enterprise Corporation – Will be staged after the completion of the Commerce evaluation.

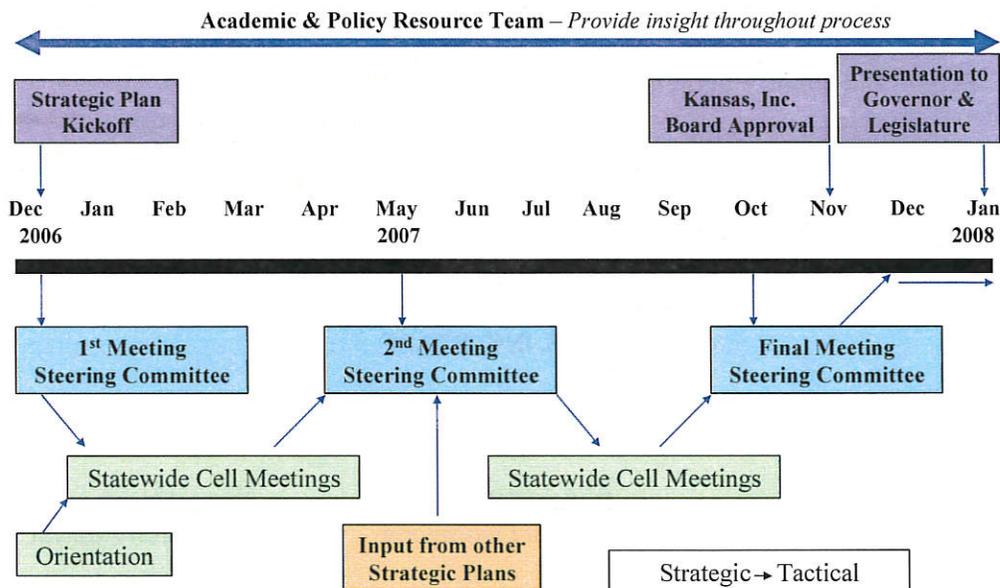
Evaluation of the Kansas Center for Entrepreneurship – As designated by statute, Kansas, Inc. will deliver the Center for Entrepreneurship evaluation to the Legislature during January 2008.

Evaluation of the Kansas Bioscience Authority – Tentatively, Kansas, Inc. will deliver the Bioscience Authority evaluation after the Center for Entrepreneurship evaluation.

Strategic Planning

Kansas, Inc. 2007 Statewide Economic Development Strategic Plan – Leveraging our Foundations & Designing the Future: A Kansas Economic Renaissance – Expected to be completed by January 2008.

2007 Strategic Planning Timeline



KANSAS, INC.

Created by the Legislature in 1986, Kansas, Inc. is an independent, objective, and non-partisan organization designed to conduct economic development research and analysis with the goal of crafting policies and recommendations to insure the state's ongoing competitiveness for economic growth. To attain our mission, Kansas, Inc. undertakes these primary activities: 1) Identifying, building, and promoting a Strategic Plan for economic development efforts in the State of Kansas; 2) To complement the Strategic Plan, Kansas, Inc. develops and implements a proactive and aggressive research agenda, which is used to identify and promote sound economic development strategies and policies; 3) Through collaboration and outreach with economic development entities and other potential partners, Kansas, Inc. conducts evaluation reviews and provides oversight of economic development programs to benchmark development efforts in the State of Kansas.

Co-Chaired by the Governor, Kansas, Inc. is governed by a 17-member Board of Directors. Board members, as mandated by legislation, include four members of Legislative leadership, a representative from the Board of Regents, the Secretary of Commerce, the Commanding General of the Kansas Cavalry, a representative from labor, and eight other members from the private sector representing key Kansas industrial sectors. Private sector members are appointed by the Governor and confirmed by the Kansas Senate.

Through analysis and open dialogue, Kansas, Inc. identifies policy options and builds the consensus essential for concerted action on vital economic issues. Kansas, Inc. is designed to be a public-private partnership with expectations that state investments are leveraged with other funds to maintain a strong research portfolio.

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Sr. Research Analyst

Overview

Trends in the Kansas Economy, 1985 – 2006

This report will serve as background information for the state's strategic economic development planning effort that is being undertaken by Kansas, Inc. This report analyzes the current state of the Kansas economy as well as discusses the major trends facing the state. An understanding of the Kansas economy's strengths and weaknesses is essential to strategic planning, but, just as important is an understanding of the major trends that are taking place in the state, national, and international economies. Significant trends are changing the way businesses operate, and these trends are the focus of this analysis.

Within this report, several trends and conclusions are drawn in each section. The following highlights a few of these:

The New Integrated Global Economy – More than importing and exporting is involved in the emerging global economy, as firms integrate their operations across the national boundaries, resulting in competition, outsourcing, new markets, and new sources of capital investment.

Innovation and Technology – Crucial to Kansas economic development, technological change occurs rapidly and firms must have access to new technology to remain competitive.

Access to Financial Capital – Crucial for economic growth, the state needs to support the financing needs of entrepreneurs and existing firm expansions.

Demographic and Labor Force Trends – Population growth in urban areas, population decline in rural areas, population growth from Hispanics and Latinos, and the aging of the state's overall population are all trends affecting Kansas.

Changing Role of Historically Dominant Industries – Manufacturing, agriculture, and oil & gas industries have historically been the cornerstones of the Kansas economy, and the roles of these industries may be changing as we transition into a new integrated economy.

Focus on Services as a Source of New Employment Opportunities – The relative growth of service sectors, such as financial activities, health care, social assistance, and business demonstrates that much of the state's growth in employment will come from service-providing industries.

Growing Importance of Well-Educated and Skilled Workforce – A major trend is for firms to outsource lower-skilled work to other countries with lower wages, of which Kansas may not be able to compete, and as a result the state must focus on developing a workforce that can compete for higher-skilled, higher-wage jobs.

Continuing Lag in Personal Income – Two major trends, Kansas' per capita income and average annual pay lag the U.S., and per capita personal income in non-metropolitan areas of Kansas lags that of metropolitan areas by about 25 percent.

Competitive Position and Economic Dynamism – These measures paint a picture of Kansas as a good area in terms of infrastructure, education, and environmental policy, but mediocre to bad in terms of business incubation and the government/fiscal environment for business.

Overview

Issues and Trends Identification in Kansas

This report identifies major issues and trends that could affect the Kansas economy over the next decade. Using a literature search, an examination of statistical trends and personal interviews, 30 trends and issues are identified.

Trends and Issues – A Summary

Four trends emerge from the examination of Kansas demographic data:

- A declining labor force
- Fewer school-aged children
- More people aged 65 and older
- A larger Hispanic population

From the work force and industry data and information gathered, these trends emerge:

- A slower job growth rate than the nation
- An expected shortfall of workers through 2012
 - A reduced labor force participation rate
 - A need for skilled workers for high-paying jobs
 - A need to reverse net outflow of workers to other states and increase inflow of foreign-born workers
- A current industry structure unlikely to maximize employment growth through 2012
- Continuing unequal pay and employment opportunities for women

Below are the trends and issues surrounding Kansas trade and globalization:

- Kansas exports are growing
- The U.S. trade deficit is growing
- Outsourcing is expected to grow
- More international education is needed

The following trends emerge regarding technology infrastructure in Kansas:

- Technology infrastructure and economic growth
- Increasing Internet use
- Legislative issues
- Technology security
- The Farm Security and Rural Investment Act of 2002

Five trends emerged in our discussion of the environment:

- Declining water supply
- Polluted streams and lakes
- Loss of wetlands
- Continuing issues regarding solid waste
- Increasing development of alternative sources of energy

Five trends emerge from our rural development data:

- Depopulation in rural areas
- Continuing environmental issues
- Rural health care needs
- Changing rural economics
- Agricultural prosperity that could be dampened by lowered productivity

The issues below emerged in our discussion of agriculture and homeland security:

- Threat of foot-and-mouth disease
- Crop vulnerabilities related to terrorism
- A water supply dependent on the vigilance of day-to-day management



**Follow-up to Kansas, Inc. Testimony
2007 Legislative Session**

This summary provides a more in-depth analysis of some of the questions that were asked during Kansas, Inc.'s presentation to several Committee's during the 2007 Legislative Session. If you have any further questions regarding this or any other information, feel free to let us know and we would be glad to help you.

Further information regarding Public Sector (Government) Employment within IKE. The following information is presented within IKE:

Public Sector Employment
(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	266.5	260.5	257.4	246.1	2.3%	3.5%	8.3%
6-State Region	1,790.8	1,760.4	1,715.8	1,594.9	1.7%	4.4%	12.3%
U.S.	22,614.0	22,331.0	21,732.0	20,030.0	1.3%	4.1%	12.9%

Source: U.S. Department of Labor – Bureau of Labor Statistics (BLS)

Within Public Sector Employment, there are three major sub-sectors, consisting of Federal, State, and Local government. The following is a similar breakout of Federal, State, and Local government sub-sectors:

Public Sector Employment - Federal
(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	25.5	26.1	26.5	26.9	-2.3%	-3.8%	-5.2%
6-State Region	208.0	206.5	210.7	216.0	0.7%	-1.3%	-3.7%
U.S.	2,702.0	2,721.0	2,755.0	2,839.0	-0.7%	-1.9%	-4.8%

Public Sector Employment - State
(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	55.6	55.1	55.3	ND	0.9%	0.5%	
6-State Region	462.1	455.6	456.2	426.0	1.4%	1.3%	8.5%
U.S.	5,242.0	5,185.0	5,114.0	4,722.0	1.1%	2.5%	11.0%

Public Sector Employment - Local
(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	185.4	179.3	175.6	ND	3.4%	5.6%	
6-State Region	1,120.7	1,098.3	1,048.9	952.9	2.0%	6.8%	17.6%
U.S.	14,670.0	14,425.0	13,863.0	12,469.0	1.7%	5.8%	17.7%

ND - data not available

Within these sub-sectors, it may be possible to break the data down further, based on the North American Industry Classification System (NAICS) codes; however, there may be disclosure issues with the U.S. Bureau of Labor Statistics.

Further information regarding population projections based on different age groups. This information is provided by the U.S. Census Bureau, and some of it has been summarized below:

Table 1. Comparison of Kansas to U.S. Population: April 1, 2000 to July 1, 2030							
Area	Census April 1, 2000	Projections July 1, 2005	Projections July 1, 2010	Projections July 1, 2015	Projections July 1, 2020	Projections July 1, 2025	Projections July 1, 2030
Kansas	2,688,418	2,751,509	2,805,470	2,852,690	2,890,566	2,919,002	2,940,084
U.S.	281,421,906	295,507,134	308,935,581	322,365,787	335,804,546	349,439,199	363,584,435
Five-Year Growth Rates of the Population for Kansas and the U.S.: April 1, 2000 to July 1, 2030							
Area	Percent Change 2005-2010	Percent Change 2010-2015	Percent Change 2015-2020	Percent Change 2020-2025	Percent Change 2025-2030	Percent Change 2000-2030	Percent Change 2005-2030
Kansas	2.0	1.7	1.3	1.0	0.7	9.4	6.9
U.S.	4.5	4.3	4.2	4.1	4.0	29.2	23.0
Source: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005, SummaryTabB1. Internet Release Date: April 21, 2005							

Table 2. Interim Projections of the Population by Selected Age Groups for Kansas: April 1, 2000 to July 1, 2030							
Age in Years	Census April 1, 2000	Projections July 1, 2005	Projections July 1, 2010	Projections July 1, 2015	Projections July 1, 2020	Projections July 1, 2025	Projections July 1, 2030
Total	2,688,418	2,751,509	2,805,470	2,852,690	2,890,566	2,919,002	2,940,084
Under 5	188,708	194,443	199,534	201,489	199,315	197,384	197,085
5 to 13	358,195	344,606	344,793	352,833	358,172	356,566	352,393
14 to 17	166,090	163,337	154,669	153,646	156,412	159,597	159,468
18 to 24	275,592	283,235	275,807	263,146	258,659	263,025	267,337
25 to 44	769,204	740,575	728,444	738,302	741,344	727,166	710,942
45 to 64	574,400	667,244	726,908	723,526	696,745	670,508	659,768
65 and over	356,229	358,069	375,315	419,748	479,919	544,756	593,091
Under 15	588,300	579,467	582,461	593,049	596,778	593,922	589,125
16 and over	2,058,489	2,130,601	2,184,537	2,221,058	2,254,632	2,285,119	2,311,153
18 and over	1,975,425	2,049,123	2,106,474	2,144,722	2,176,667	2,205,455	2,231,138
21 and over	1,847,513	1,925,755	1,985,141	2,031,084	2,061,355	2,088,250	2,112,036
62 and over	413,585	423,779	457,937	514,212	584,152	647,091	675,873
85 and over	51,770	58,762	66,506	70,951	73,209	77,146	87,969
Median Age	35.2	35.8	36.4	36.9	37.8	38.5	39.1
Source: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005, SummaryTabB1. Internet Release Date: April 21, 2005							

**Table 3. Five-Year Level Changes of the Population by Selected Age Groups for Kansas:
April 1, 2000 to July 1, 2030**

Age in Years	Level Change 2005-2010	Level Change 2010-2015	Level Change 2015-2020	Level Change 2020-2025	Level Change 2025-2030	Level Change 2000-2030	Level Change 2005-2030
Total	53,961	47,220	37,876	28,436	21,082	251,666	188,575
Under 5	5,091	1,955	-2,174	-1,931	-299	8,377	2,642
5 to 13	187	8,040	5,339	-1,606	-4,173	-5,802	7,787
14 to 17	-8,668	-1,023	2,766	3,185	-129	-6,622	-3,869
18 to 24	-7,428	-12,661	-4,487	4,366	4,312	-8,255	-15,898
25 to 44	-12,131	9,858	3,042	-14,178	-16,224	-58,262	-29,633
45 to 64	59,664	-3,382	-26,781	-26,237	-10,740	85,368	-7,476
65 and over	17,246	44,433	60,171	64,837	48,335	236,862	235,022
Under 15	2,994	10,588	3,729	-2,856	-4,797	825	9,658
16 and over	53,936	36,521	33,574	30,487	26,034	252,664	180,552
18 and over	57,351	38,248	31,945	28,788	25,683	255,713	182,015
21 and over	59,386	45,943	30,271	26,895	23,786	264,523	186,281
62 and over	34,158	56,275	69,940	62,939	28,782	262,288	252,094
85 and over	7,744	4,445	2,258	3,937	10,823	36,199	29,207
Median Age	0.6	0.6	0.9	0.7	0.5	3.9	3.3

Source: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005, SummaryTabB1.
Internet Release Date: April 21, 2005

Population by Age

- Tables 2 - 4 show that Kansas is projected to have more than 2.9 million people by 2030, an increase of nearly 252,000 over the year 2000. Population growth will slow over time, with an expected growth rate of 2 percent from 2005 to 2010, but only a 0.7 percent increase expected from 2025 to 2030.
- The population age 16 and older is expected to show positive growth during each five-year period from 2000 to 2030; however, the population under age 15 will show positive growth from 2005 to 2020 and then decline through 2030.
- The labor force age group, ages 16-64, is expected to grow by 6.3 percent through 2010, then decline by 5 percent through 2030.
- In 2005 those who were 62 years of age or older comprised 15.4 percent of the total Kansas population; however, by 2030, that age group will comprise 23 percent of the total Kansas population. The growth rate of this age group will peak between 2015 and 2020, increasing 13.6 percent. Growth will continue from 2020 to 2030, but at a slower rate. The growth rate from 2025 to 2030 will be only 4.4 percent. Yet in that same five-year period, those aged 85 and older will grow by a higher growth rate than any of the previous five-year periods being examined in this study – 14 percent – to bring the total number aged 85 and older to nearly 88,000 by 2030.

Table 4. Five-Year Growth Rates of the Population by Selected Age Groups for Kansas: April 1, 2000 to July 1, 2030

Age in Years	Percent Change 2005-2010	Percent Change 2010-2015	Percent Change 2015-2020	Percent Change 2020-2025	Percent Change 2025-2030	Percent Change 2000-2030	Percent Change 2005-2030
Total	2.0	1.7	1.3	1.0	0.7	9.4	6.9
Under 5	2.6	1.0	-1.1	-1.0	-0.2	4.4	1.4
5 to 13	0.1	2.3	1.5	-0.4	-1.2	-1.6	2.3
14 to 17	-5.3	-0.7	1.8	2.0	-0.1	-4.0	-2.4
18 to 24	-2.6	-4.6	-1.7	1.7	1.6	-3.0	-5.6
25 to 44	-1.6	1.4	0.4	-1.9	-2.2	-7.6	-4.0
45 to 64	8.9	-0.5	-3.7	-3.8	-1.6	14.9	-1.1
65 and over	4.8	11.8	14.3	13.5	8.9	66.5	65.6
Under 15	0.5	1.8	0.6	-0.5	-0.8	0.1	1.7
16 and over	2.5	1.7	1.5	1.4	1.1	12.3	8.5
18 and over	2.8	1.8	1.5	1.3	1.2	12.9	8.9
21 and over	3.1	2.3	1.5	1.3	1.1	14.3	9.7
62 and over	8.1	12.3	13.6	10.8	4.4	63.4	59.5
85 and over	13.2	6.7	3.2	5.4	14.0	69.9	49.7

Source: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005, SummaryTabB1.

Internet Release Date: April 21, 2005

Table 5. Percent of Total Population of Each Age Group Based on Interim Projections of the Population by Selected Age Groups for Kansas: April 1, 2000 to July 1, 2030

	% of Census April 1, 2000 Population	% of July 1, 2005, Projection	% of July 1, 2010, Projection	% of July 1, 2015, Projection	% of July 1, 2020, Projection	% of July 1, 2025, Projection	% of July 1, 2030, Projection
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 5	7.0	7.1	7.1	7.1	6.9	6.8	6.7
5 to 13	13.3	12.5	12.3	12.4	12.4	12.2	12.0
14 to 17	6.2	5.9	5.5	5.4	5.4	5.5	5.4
18 to 24	10.3	10.3	9.8	9.2	8.9	9.0	9.1
25 to 44	28.6	26.9	26.0	25.9	25.6	24.9	24.2
45 to 64	21.4	24.3	25.9	25.4	24.1	23.0	22.4
65 and over	13.3	13.0	13.4	14.7	16.6	18.7	20.2
Under 15	21.9	21.1	20.8	20.8	20.6	20.3	20.0
16 and over	76.6	77.4	77.9	77.9	78.0	78.3	78.6
18 and over	73.5	74.5	75.1	75.2	75.3	75.6	75.9
21 and over	68.7	70.0	70.8	71.2	71.3	71.5	71.8
62 and over	15.4	15.4	16.3	18.0	20.2	22.2	23.0
85 and over	1.9	2.1	2.4	2.5	2.5	2.6	3.0

Source: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005, SummaryTabB1.

Internet Release Date: April 21, 2005

Further information regarding Building Permits data within IKE. The following information is presented within IKE:

Building Permits

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,037	1,621	877	955	-36.0%	18.2%	8.6%
6-State Region	6,840	10,698	8,600	6,433	-36.1%	-20.5%	6.3%
U.S.	110,370	159,813	119,964	101,659	-30.9%	-8.0%	8.6%

This information is provided by the U.S. Census Bureau on a monthly basis, and is a measure of new privately owned housing units authorized. A housing unit is a house, apartment, a group of rooms or a single room intended for occupancy as separate living quarters. Based on their website, the difference between building permits and housing starts data is that building permits data are based on those units authorized to be built and housing starts data are based on the actual breaking of ground for footings, foundations, or beginning a new superstructure on top of an existing foundation.

The following list is the actual raw data used within the IKE report from 2000 to 2006, and as you can see there is quite a bit of fluctuation within this information, due to several factors.

Jan-00	993	Jul-03	1,236
Feb-00	1,499	Aug-03	1,152
Mar-00	1,047	Sep-03	1,183
Apr-00	1,318	Oct-03	1,874
May-00	1,197	Nov-03	1,236
Jun-00	920	Dec-03	1,162
Jul-00	780	Jan-04	634
Aug-00	857	Feb-04	716
Sep-00	836	Mar-04	1,254
Oct-00	1,592	Apr-04	1,167
Nov-00	800	May-04	1,050
Dec-00	468	Jun-04	1,097
Jan-01	1,120	Jul-04	1,090
Feb-01	1,381	Aug-04	1,040
Mar-01	1,386	Sep-04	1,195
Apr-01	1,029	Oct-04	787
May-01	1,512	Nov-04	895
Jun-01	1,022	Dec-04	1,042
Jul-01	833	Jan-05	593
Aug-01	1,267	Feb-05	970
Sep-01	817	Mar-05	1,335
Oct-01	967	Apr-05	1,310
Nov-01	877	May-05	1,164
Dec-01	1,174	Jun-05	1,271
Jan-02	594	Jul-05	1,367
Feb-02	803	Aug-05	1,172
Mar-02	999	Sep-05	1,203
Apr-02	1,001	Oct-05	1,201
May-02	1,038	Nov-05	1,621
Jun-02	1,473	Dec-05	1,059
Jul-02	1,170	Jan-06	822
Aug-02	1,025	Feb-06	1,097
Sep-02	805	Mar-06	1,267
Oct-02	1,139	Apr-06	979
Nov-02	986	May-06	1,162
Dec-02	763	Jun-06	1,633
Jan-03	985	Jul-06	1,215
Feb-03	828	Aug-06	904
Mar-03	965	Sep-06	1,052
Apr-03	1,013	Oct-06	1,130
May-03	1,056	Nov-06	1,037
Jun-03	1,148		

Further information regarding comparing Kansas to other regional states. Within IKE the 6-State region average includes: Arkansas, Colorado, Iowa, Missouri, Nebraska, and Oklahoma. Within this average, there may be trends within individual states that are “covered up” by the 6-State region. Several variables within the IKE report are provided for the 6-State Region, and this information can be broken out via state as provided below.

Total Nonfarm Employment

(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,359.3	1,355.7	1,355.0	1,255.7	0.3%	0.3%	8.3%
Arkansas	1,202.2	1,191.9	1,154.2	1,099.3	0.9%	4.2%	9.4%
Colorado	2,291.7	2,250.4	2,203.7	1,936.3	1.8%	4.0%	18.4%
Iowa	1,535.7	1,508.8	1,468.7	1,407.7	1.8%	4.6%	9.1%
Missouri	2,780.4	2,758.9	2,731.9	2,617.7	0.8%	1.8%	6.2%
Nebraska	965.4	949.3	929.3	851.6	1.7%	3.9%	13.4%
Oklahoma	1,558.0	1,538.1	1,514.8	1,375.5	1.3%	2.9%	13.3%
6-State Region	10,333.4	10,197.4	10,002.6	9,288.1	1.3%	3.3%	11.3%
U.S.	137,103.0	135,316.0	131,880.0	121,842.0	1.3%	4.0%	12.5%

Private Sector Employment

(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,092.8	1,095.2	1,097.6	1,009.6	-0.2%	-0.4%	8.2%
Arkansas	989.6	980.4	954.0	913.9	0.9%	3.7%	8.3%
Colorado	1,911.9	1,878.2	1,847.9	1,618.2	1.8%	3.5%	18.1%
Iowa	1,279.7	1,254.6	1,216.4	1,168.6	2.0%	5.2%	9.5%
Missouri	2,334.4	2,321.3	2,292.5	2,198.3	0.6%	1.8%	6.2%
Nebraska	796.3	784.4	768.3	696.1	1.5%	3.6%	14.4%
Oklahoma	1,230.7	1,218.1	1,207.7	1,098.1	1.0%	1.9%	12.1%
6-State Region	8,542.6	8,437.0	8,286.8	7,693.2	1.3%	3.1%	11.0%
U.S.	114,489.0	112,985.0	110,148.0	101,812.0	1.3%	3.9%	12.5%

Manufacturing Employment

(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	180.4	180.2	192.8	189.0	0.1%	-6.4%	-4.6%
Arkansas	192.6	199.3	219.5	240.5	-3.4%	-12.3%	-19.9%
Colorado	151.8	150.8	171.7	184.2	0.7%	-11.6%	-17.6%
Iowa	236.0	232.0	230.5	236.7	1.7%	2.4%	-0.3%
Missouri	300.6	307.6	334.9	376.7	-2.3%	-10.2%	-20.2%
Nebraska	103.0	102.3	108.6	112.7	0.7%	-5.2%	-8.6%
Oklahoma	147.8	146.2	165.1	165.3	1.1%	-10.5%	-10.6%
6-State Region	1,131.8	1,138.2	1,230.3	1,316.1	-0.6%	-8.0%	-14.0%
U.S.	14,175.0	14,233.0	15,847.0	17,313.0	-0.4%	-10.6%	-18.1%

Service Employment

(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	840.5	841.5	833.3	755.3	-0.1%	0.9%	11.3%
Arkansas	733.9	719.3	673.6	617.7	2.0%	9.0%	18.8%
Colorado	1,571.4	1,543.9	1,497.4	1,304.4	1.8%	4.9%	20.5%
Iowa	960.6	945.6	916.5	869.4	1.6%	4.8%	10.5%
Missouri	1,883.5	1,865.1	1,811.8	1,698.1	1.0%	4.0%	10.9%
Nebraska	646.5	634.5	613.1	544.2	1.9%	5.4%	18.8%
Oklahoma	973.6	968.0	948.5	850.7	0.6%	2.6%	14.4%
6-State Region	6,769.5	6,676.4	6,460.9	5,884.5	1.4%	4.8%	15.0%
U.S.	92,061.0	90,583.0	86,813.0	78,079.0	1.6%	6.0%	17.9%

Public Sector Employment

(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	266.5	260.5	257.4	246.1	2.3%	3.5%	8.3%
Arkansas	212.6	211.5	200.2	185.4	0.5%	6.2%	14.7%
Colorado	379.8	372.2	355.8	318.1	2.0%	6.7%	19.4%
Iowa	256.0	254.2	252.3	239.1	0.7%	1.5%	7.1%
Missouri	446.0	437.6	439.4	419.4	1.9%	1.5%	6.3%
Nebraska	169.1	164.9	161.0	155.5	2.5%	5.0%	8.7%
Oklahoma	327.3	320.0	307.1	277.4	2.3%	6.6%	18.0%
6-State Region	1,790.8	1,760.4	1,715.8	1,594.9	1.7%	4.4%	12.3%
U.S.	22,614.0	22,331.0	21,732.0	20,030.0	1.3%	4.1%	12.9%

Unemployment Rate

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	4.2%	5.0%	4.7%	4.5%	-16.0%	-10.6%	-6.7%
Arkansas	4.7%	4.1%	4.5%	4.6%	14.6%	4.4%	2.2%
Colorado	3.9%	4.6%	5.3%	3.8%	-15.2%	-26.4%	2.6%
Iowa	3.2%	4.4%	3.4%	3.3%	-27.3%	-5.9%	-3.0%
Missouri	4.8%	5.1%	4.6%	4.4%	-5.9%	4.3%	9.1%
Nebraska	2.8%	3.3%	3.1%	2.4%	-15.2%	-9.7%	16.7%
Oklahoma	3.7%	4.0%	4.3%	4.0%	-7.5%	-14.0%	-7.5%
6-State Region	4.0%	4.4%	4.4%	3.9%	-9.1%	-9.1%	2.6%
U.S.	4.3%	4.8%	5.3%	5.0%	-10.4%	-18.9%	-14.0%

Unemployment

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	61,907	73,885	66,589	62,135	-16.2%	-7.0%	-0.4%
Arkansas	65,023	57,018	56,712	57,171	14.0%	14.7%	13.7%
Colorado	104,476	117,689	128,567	82,950	-11.2%	-18.7%	26.0%
Iowa	54,345	72,954	54,597	52,826	-25.5%	-0.5%	2.9%
Missouri	147,328	154,227	137,744	128,373	-4.5%	7.0%	14.8%
Nebraska	27,558	32,800	29,592	21,862	-16.0%	-6.9%	26.1%
Oklahoma	66,012	69,848	72,929	63,682	-5.5%	-9.5%	3.7%
6-State Region	464,742	504,536	480,141	406,864	-7.9%	-3.2%	14.2%
U.S.	6,576,000	7,271,000	7,617,000	6,816,000	-9.6%	-13.7%	-3.5%

Gross State Product

(millions of current dollars)

	2005	2004	2000	1995	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	105,574	98,927	82,812	63,699	6.7%	27.5%	65.7%
Arkansas	86,752	82,712	66,801	53,303	4.9%	29.9%	62.8%
Colorado	216,537	201,392	171,862	108,043	7.5%	26.0%	100.4%
Iowa	113,552	110,210	90,186	71,905	3.0%	25.9%	57.9%
Missouri	216,065	205,847	176,708	137,528	5.0%	22.3%	57.1%
Nebraska	70,676	67,989	55,478	44,505	4.0%	27.4%	58.8%
Oklahoma	121,490	111,838	89,757	69,580	8.6%	35.4%	74.6%
6-State Region	825,072	779,988	650,792	484,864	5.8%	26.8%	70.2%
U.S.	12,409,555	11,655,335	9,749,103	7,232,722	6.5%	27.3%	71.6%

Per Capita Personal Income Annual Estimates - (\$)

	2005	2004	2000	1995	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	32,948	31,312	27,694	21,558	5.2%	19.0%	52.8%
Arkansas	26,641	25,783	21,925	18,075	3.3%	21.5%	47.4%
Colorado	37,459	35,766	33,371	24,226	4.7%	12.3%	54.6%
Iowa	31,795	30,965	26,554	20,929	2.7%	19.7%	51.9%
Missouri	31,299	30,117	27,241	21,559	3.9%	14.9%	45.2%
Nebraska	32,988	31,961	27,625	21,730	3.2%	19.4%	51.8%
Oklahoma	29,908	28,370	24,407	18,861	5.4%	22.5%	58.6%
6-State Region	31,682	30,494	26,854	20,897	3.9%	18.0%	51.6%
U.S.	34,495	33,090	29,845	23,076	4.2%	15.6%	49.5%

Building Permits

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,037	1,621	877	955	-36.0%	18.2%	8.6%
Arkansas	870	1,043	805	614	-16.6%	8.1%	41.7%
Colorado	1,989	3,251	3,129	2,624	-38.8%	-36.4%	-24.2%
Iowa	966	1,482	1,053	713	-34.8%	-8.3%	35.5%
Missouri	1,346	2,287	1,869	1,528	-41.1%	-28.0%	-11.9%
Nebraska	740	701	581	393	5.6%	27.4%	88.3%
Oklahoma	929	1,934	1,163	561	-52.0%	-20.1%	65.6%
6-State Region	6,840	10,698	8,600	6,433	-36.1%	-20.5%	6.3%
U.S.	110,370	159,813	119,964	101,659	-30.9%	-8.0%	8.6%

Population

	Jul-06	Jul-05	Jul-01	Jul-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,764,075	2,748,172	2,702,446	2,614,554	0.6%	2.3%	5.7%
Arkansas	2,810,872	2,775,708	2,691,665	2,572,109	1.3%	4.4%	9.3%
Colorado	4,753,377	4,663,295	4,428,562	3,919,972	1.9%	7.3%	21.3%
Iowa	2,982,085	2,965,524	2,932,151	2,880,000	0.6%	1.7%	3.5%
Missouri	5,842,713	5,797,703	5,643,232	5,431,553	0.8%	3.5%	7.6%
Nebraska	1,768,331	1,758,163	1,719,315	1,673,740	0.6%	2.9%	5.7%
Oklahoma	3,579,212	3,543,442	3,466,687	3,340,129	1.0%	3.2%	7.2%
6-State Region	21,736,590	21,503,835	20,881,612	19,817,503	1.1%	4.1%	9.7%
U.S.	299,398,484	296,507,061	285,226,284	269,394,284	1.0%	5.0%	11.1%

Indicators of the Kansas Economy (IKE)

Prepared by



December 2006

Senate Ways and Means
1-23-07
Attachment 6



**Indicators of the Kansas Economy
December 2006 Data Book**

6-2
Dec-06

About IKE

During July 2004, the Kansas, Inc. Board of Directors initiated a project with the goal of identifying critical variables that would explain the current condition of the Kansas economy relative to its surrounding states and the U.S. The *Indicators of the Kansas Economy (IKE)* project concept was the result of a perceived need for a single source of objective and consistent information that allows public and private leadership, as well as all interested Kansans to better understand the economy and enhance decision-making capacity.

Working with a broad range of professionals, including researchers, university professors, state program staff, and the Kansas, Inc. Board of Directors, a set of 26 variables have been identified and reviewed for their comprehensiveness and ability to depict key elements of the Kansas economy. Whenever possible, regional and national data is included to illustrate how Kansas compares to both the 6-State Region and the U.S. The 6-State Region includes: Arkansas, Colorado, Iowa, Missouri, Nebraska, and Oklahoma. Data for most of the variables in this version of IKE was collected in the time period beginning during January 1996, enabling the data to include trends from the most recent national recession during 2001. When identifying variables, efforts centered on data that are mostly:

- Electronically accessible;
- Can be captured for all states and the U.S.; and,
- Released at least annually with preference to monthly data.

This version of the IKE report includes 21 variables, with an additional five variables to be included in future releases.

During 2005, Kansas, Inc. received a grant from the Information Network of Kansas to significantly advance the sophistication, outreach, and quality of the IKE project. Through this grant, Kansas, Inc. partnered with the University of Kansas, Policy Research Institute to develop the framework for several variables to be displayed interactively, on a county, state, regional, and national level. A portion of the project provided the model for a future IKE website where all data will be displayed and archived in a user-friendly format. Along with the framework, this project also allowed an advisory committee to provide comments and suggestions regarding the direction of the IKE project. Individuals from several organizations and backgrounds participated in this portion of the project to significantly add value to the final product. Included in the project were several suggestions and prototypes for additional variables still in the developmental stage, including a Kansas stock index, Kansas agricultural commodity index, "Biz-Trakker", and several other variables of interest.

As the IKE project evolves, many portions remain in the developmental and experimentation stage, however, several suggestions and ideas from the both the INK grant project and end-users have been incorporated into this updated version of IKE to enhance the value and usability of this report. Besides the U.S., state, and local variable analysis, a planned component of IKE is quarterly bulletins to highlight key aspects of the Kansas economy and provide a more in-depth understanding of the variables and economic issues impacting the state.

This updated release is another step in IKE becoming the one-stop resource of economic data for policymakers, university researchers and the general public. As the Kansas economy changes, Kansas, Inc. recognizes that the IKE project will continue to evolve to meet the needs of all individuals. Kansas, Inc. welcomes feedback to improve the value of future IKE releases.

For further information regarding the IKE project or any other Kansas, Inc. projects, feel free to contact us.

IKE - Key Trends in Kansas: September 2006

Employment and Unemployment

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Total Nonfarm Employment - (all employees, thousands)							
Kansas	1,359.3	1,355.7	1,355.0	1,255.7	0.3%	0.3%	8.3%
Private Sector Employment - (all employees, thousands)							
Kansas	1,092.8	1,095.2	1,097.6	1,009.6	-0.2%	-0.4%	8.2%
Manufacturing Employment - (all employees, thousands)							
Kansas	180.4	180.2	192.8	189.0	0.1%	-6.4%	-4.6%
Service Employment - (all employees, thousands)							
Kansas	840.5	841.5	833.3	755.3	-0.1%	0.9%	11.3%
Public Sector Employment - (all employees, thousands)							
Kansas	266.5	260.5	257.4	246.1	2.3%	3.5%	8.3%
Unemployment Rate - (%)							
Kansas	4.2%	5.0%	4.7%	4.5%	-0.8%	-0.5%	-0.3%
Initial Claims for Unemployment - (all employees)							
Kansas	11,242	10,801	14,536	9,273	4.1%	-22.7%	21.2%

Entrepreneurship

Establishment Data - (all sizes, total establishments)

	2004	2003	1999	1-yr Chg	5-yr Chg
Kansas	75,827	74,972	74,486	1.1%	1.8%

Kansas Firm Birth and Termination

	2005	2004	2000	1995	1-yr Chg	4-yr Chg	9-yr Chg
Firm Births	7,095	6,742	6,483	7,600	5.2%	9.4%	-6.6%
Firm Terminations	7,330	7,250	6,981	8,387	1.1%	5.0%	-12.6%
Firm Bankruptcies	410	268	169	419	53.0%	142.6%	-2.1%

Agriculture

KFMA Average Net Farm Income by Region

Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2004	\$ 45,801	\$ 51,670	\$ 77,393	\$ 29,927	\$ 52,709	\$ 84,394	\$ 62,604
2005	\$ 66,930	\$ 42,065	\$ 68,325	\$ 23,779	\$ 36,535	\$ 76,283	\$ 56,982
5-yr avg	\$ 39,909	\$ 37,951	\$ 45,629	\$ 21,621	\$ 34,318	\$ 59,958	\$ 43,548
10-yr avg	\$ 44,783	\$ 38,700	\$ 41,724	\$ 34,852	\$ 38,451	\$ 53,686	\$ 43,747

Energy

Oil Production and Price - (most recent month of production and price)

	Aug-06	Aug-05	Aug-01	Aug-96	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,067,389	2,943,334	2,952,000	3,694,937	4.2%	3.9%	-17.0%
Price (\$/bbl)	\$ 73.04	\$ 64.98	\$ 27.37	\$ 21.90	12.4%	166.9%	233.5%

Natural Gas Production and Price - (most recent month of production and price)

	Aug-06	Aug-05	Aug-01	Aug-96	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	30,573,132	33,032,772	41,134,974	59,683,658	-7.4%	-25.7%	-48.8%
Price (\$/mcf)	\$ 6.51	\$ 7.68	\$ 3.33	\$ 2.10	-15.2%	95.5%	210.0%

Other Economic Data

Gross State Product - (millions of current dollars)

	2005	2004	2000	1995	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	105,574	98,927	82,812	63,699	6.7%	27.5%	65.7%
6-State Region	825,072	779,988	650,792	484,864	5.8%	26.8%	70.2%
U.S.	12,409,555	11,655,335	9,749,103	7,232,722	6.5%	27.3%	71.6%

Personal Income Quarterly Estimates - (millions of dollars)

	2006-Q3	2005-Q3	2001-Q3	1996-Q3	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	94,578	90,830	77,678	60,096	4.1%	21.8%	57.4%
6-State Region	720,317	692,353	590,468	443,832	4.0%	22.0%	62.3%
U.S.	10,700,889	10,248,460	8,726,357	6,557,721	4.4%	22.6%	63.2%

Per Capita Personal Income Annual Estimates - (\$)

	2005	2004	2000	1995	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	32,948	31,312	27,694	21,558	5.2%	19.0%	52.8%
6-State Region	31,682	30,494	26,854	20,897	3.9%	18.0%	51.6%
U.S.	34,495	33,090	29,845	23,076	4.2%	15.6%	49.5%

CFNAI

	Nov-06	Oct-06	Sep-06	Aug-06	Jul-06	Jun-06	Nov-05
CFNAI	(0.26)	(0.30)	(0.39)	0.05	(0.16)	0.31	0.88

Consumer Price Index

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	192.8	190.3	172.5	155.0	1.3%	11.8%	24.4%
U.S. City Average	201.5	197.6	177.4	158.6	2.0%	13.6%	27.0%

Kansas Consumer Sentiment

4th Quarter 2005	68.2
1st Quarter 2006	82.1
2nd Quarter 2006	75.4
3rd Quarter 2006	80.7

Building Permits

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,037	1,621	877	955	-36.0%	18.2%	8.6%

Sales Tax Collections

	Aug-06	Aug-05	Aug-01	Aug-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	155,967,252	147,042,865	120,317,747	105,977,377	6.0%	22.8%	50.0%

Population

	Jul-06	Jul-05	Jul-01	Jul-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,764,075	2,748,172	2,702,446	2,614,554	0.6%	2.3%	5.7%



**Indicators of the Kansas Economy
December 2006 Variables**

Dec-06

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IKE - Variables

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Available in Future IKE Reports



**Indicators of the Kansas Economy
Total Nonfarm Employment**

Dec-06

Short-Term - 2005 to 2006

- Kansas total nonfarm employment up 3,600 (0.3%)
- 6-State Region total nonfarm employment up 136,000 (1.3%)
- U.S. total nonfarm employment up 1,787,000 (1.3%)

Long-Term - 1996 to 2006

- Kansas total nonfarm employment up 103,600 (8.3%)
- 6-State Region total nonfarm employment up 1,045,300 (11.3%)
- U.S. total nonfarm employment up 15,261,000 (12.5%)

**November 2006 Total Nonfarm Employment Levels
(all employees, thousands)**

State	Employment
Kansas	1,359.3
Arkansas	1,202.2
Colorado	2,291.7
Iowa	1,535.7
Missouri	2,780.4
Nebraska	965.4
Oklahoma	1,558.0

About the data and graphs

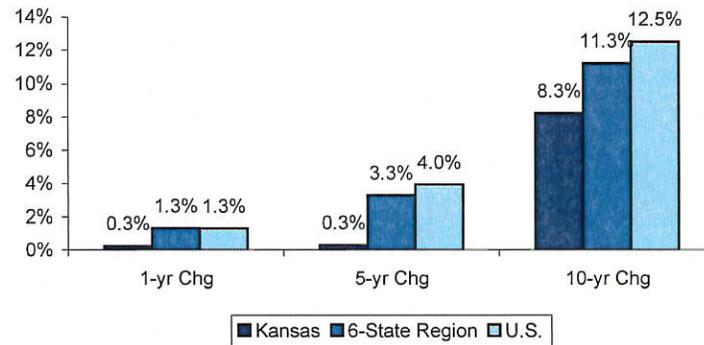
The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors.

The data series chosen for IKE are not adjusted for seasonal variation.

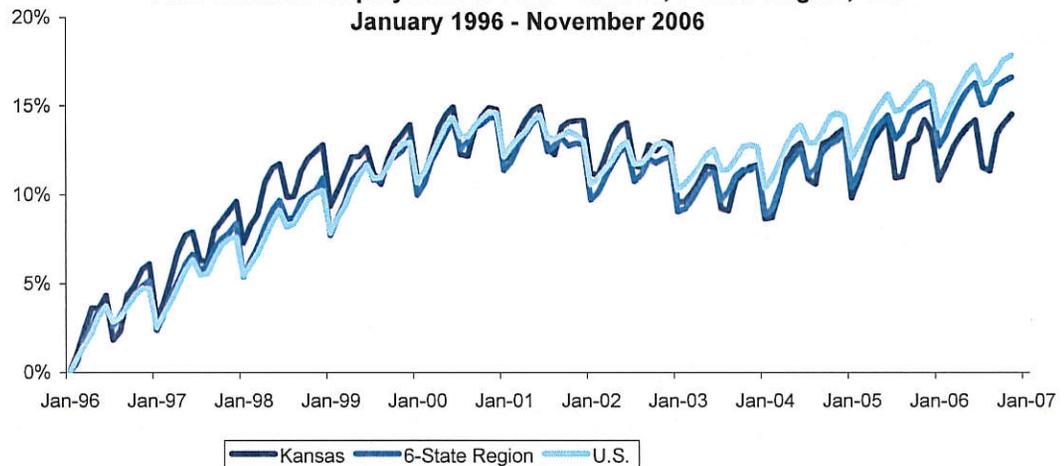
**Total Nonfarm Employment
(all employees, thousands)**

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,359.3	1,355.7	1,355.0	1,255.7	0.3%	0.3%	8.3%
6-State Region	10,333.4	10,197.4	10,002.6	9,288.1	1.3%	3.3%	11.3%
U.S.	137,103.0	135,316.0	131,880.0	121,842.0	1.3%	4.0%	12.5%

**Percent Change in Total Nonfarm Employment
1yr, 5yr, 10yr**



**Total Nonfarm Employment Growth - Kansas, 6-State Region, U.S.
January 1996 - November 2006**



November 2006 monthly data

Source: U.S. Department of Labor - Bureau of Labor Statistics -

<http://www.bls.gov/bls/employment.htm>



Indicators of the Kansas Economy Private Sector Employment

Dec-06

Short-Term - 2005 to 2006

- Kansas private sector employment down 2,400 (-0.2%)
- 6-State Region private sector employment up 105,600 (1.3%)
- U.S. private sector employment up 1,504,000 (1.3%)

Long-Term - 1996 to 2006

- Kansas private sector employment up 83,200 (8.2%)
- 6-State Region private sector employment up 849,400 (11.0%)
- U.S. private sector employment up 12,677,000 (12.5%)

Private Sector Employment

(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,092.8	1,095.2	1,097.6	1,009.6	-0.2%	-0.4%	8.2%
6-State Region	8,542.6	8,437.0	8,286.8	7,693.2	1.3%	3.1%	11.0%
U.S.	114,489.0	112,985.0	110,148.0	101,812.0	1.3%	3.9%	12.5%

November 2006 Private Sector Employment Levels

(all employees, thousands)

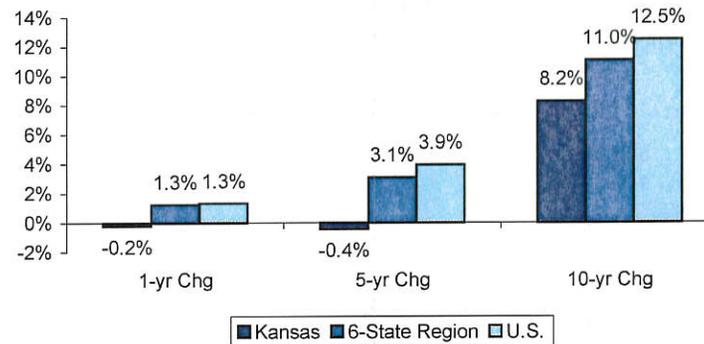
State	Employment
Kansas	1,092.8
Arkansas	989.6
Colorado	1,911.9
Iowa	1,279.7
Missouri	2,334.4
Nebraska	796.3
Oklahoma	1,230.7

About the data and graphs

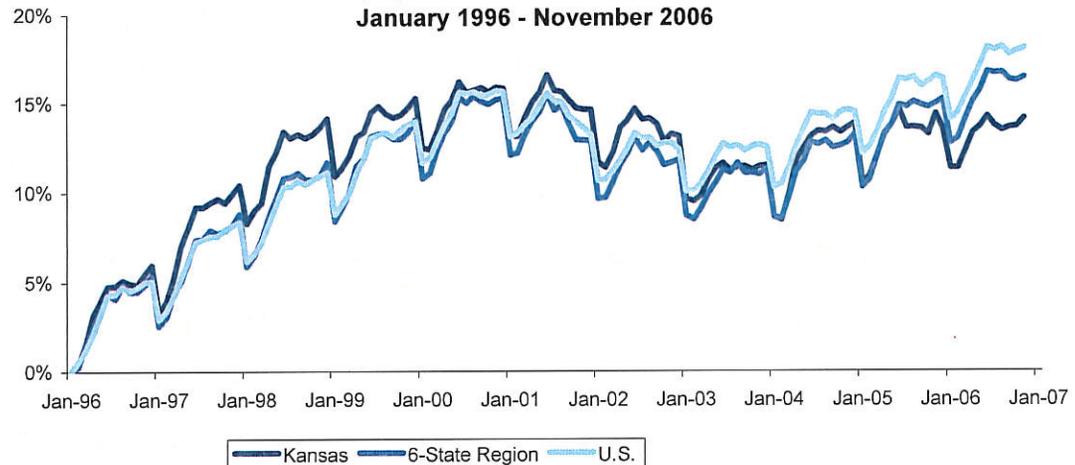
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The data series chosen for IKE are not adjusted for seasonal variation.

Percent Change in Private Sector Employment
1yr, 5yr, 10yr



Private Sector Employment Growth - Kansas, 6-State Region, U.S.
January 1996 - November 2006



November 2006 monthly data

Source: U.S. Department of Labor - Bureau of Labor Statistics -

<http://www.bls.gov/bls/employment.htm>



Indicators of the Kansas Economy Manufacturing Employment

Dec-06

Short-Term - 2005 to 2006

- Kansas manufacturing employment up 200 (0.1%)
- 6-State Region manufacturing employment down 6,400 (-0.6%)
- U.S. manufacturing employment down 58,000 (-0.4%)

Long-Term - 1996 to 2006

- Kansas manufacturing employment down 8,600 (-4.6%)
- 6-State Region manufacturing employment down 184,300 (-14.0%)
- U.S. manufacturing employment down 3,138,000 (-18.1%)

Manufacturing Employment

(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	180.4	180.2	192.8	189.0	0.1%	-6.4%	-4.6%
6-State Region	1,131.8	1,138.2	1,230.3	1,316.1	-0.6%	-8.0%	-14.0%
U.S.	14,175.0	14,233.0	15,847.0	17,313.0	-0.4%	-10.6%	-18.1%

November 2006 Manufacturing Employment Levels

(all employees, thousands)

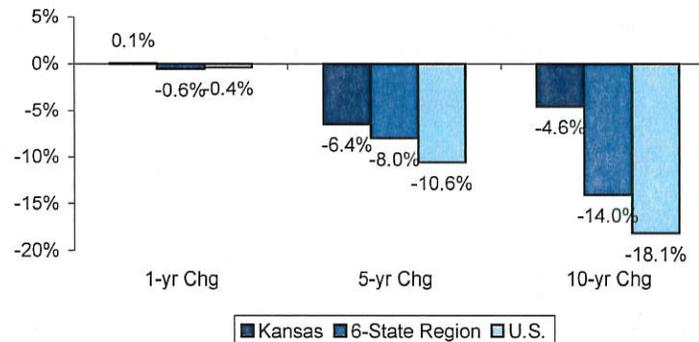
State	Employment
Kansas	180.4
Arkansas	192.6
Colorado	151.8
Iowa	236.0
Missouri	300.6
Nebraska	103.0
Oklahoma	147.8

About the data and graphs

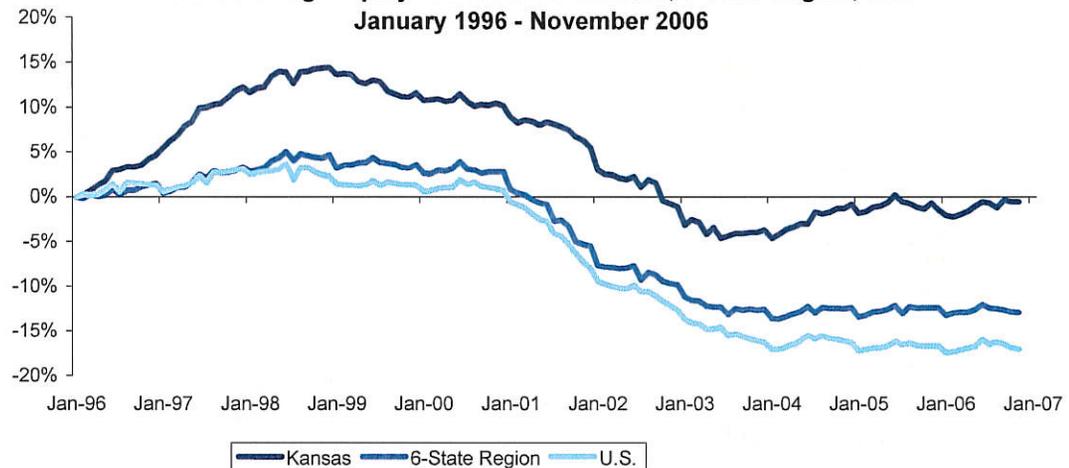
The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors.

The data series chosen for IKE are not adjusted for seasonal variation.

Percent Change in Manufacturing Employment
1yr, 5yr, 10yr



Manufacturing Employment Growth - Kansas, 6-State Region, U.S.
January 1996 - November 2006



November 2006 monthly data

Source: U.S. Department of Labor - Bureau of Labor Statistics -

<http://www.bls.gov/bls/employment.htm>



Indicators of the Kansas Economy Service Employment

Dec-06

Short-Term - 2005 to 2006

- Kansas service employment down 1,000 (-0.1%)
- 6-State Region service employment up 93,100 (1.4%)
- U.S. service employment up 1,478,000 (1.6%)

Long-Term - 1996 to 2006

- Kansas service employment up 85,200 (11.3%)
- 6-State Region service employment up 885,000 (15.0%)
- U.S. service employment up 13,982,000 (17.9%)

November 2006 Service Employment Levels

(all employees, thousands)

State	Employment
Kansas	840.5
Arkansas	733.9
Colorado	1,571.4
Iowa	960.6
Missouri	1,883.5
Nebraska	646.5
Oklahoma	973.6

About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors. The data series chosen for IKE are not adjusted for seasonal variation.

Kansas, Inc., has defined the overall service sector to include the following detailed BLS sectors: trade, transportation, and utilities; information; finance; professional and business; education and health; leisure and hospitality; and other services.

November 2006 monthly data

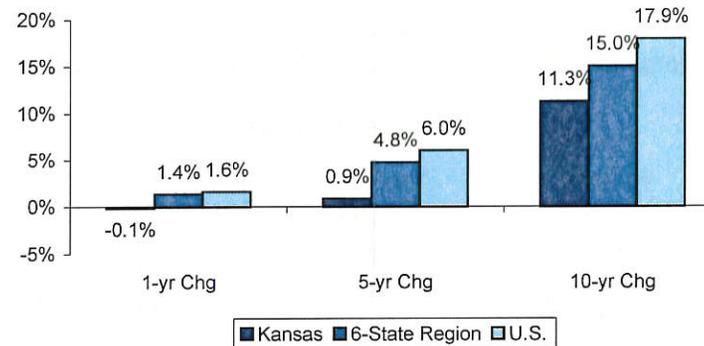
Source: U.S. Department of Labor - Bureau of Labor Statistics -

Service Employment

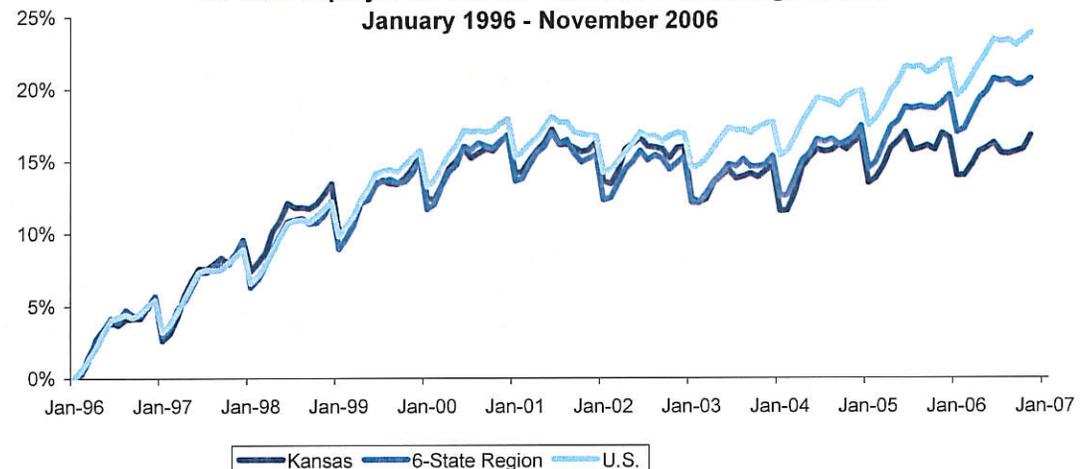
(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	840.5	841.5	833.3	755.3	-0.1%	0.9%	11.3%
6-State Region	6,769.5	6,676.4	6,460.9	5,884.5	1.4%	4.8%	15.0%
U.S.	92,061.0	90,583.0	86,813.0	78,079.0	1.6%	6.0%	17.9%

Percent Change in Service Employment
1yr, 5yr, 10yr



Service Employment Growth - Kansas, 6-State Region, U.S.
January 1996 - November 2006





Indicators of the Kansas Economy Public Employment

Dec-06

Short-Term - 2005 to 2006

- Kansas public sector employment up 6,000 (2.3%)
- 6-State Region public sector employment up 30,400 (1.7%)
- U.S. public sector employment up 283,000 (1.3%)

Long-Term - 1996 to 2006

- Kansas public sector employment up 20,400 (8.3%)
- 6-State Region public sector employment up 195,900 (12.3%)
- U.S. public sector employment up 2,584,000 (12.9%)

November 2006 Public Sector Employment Levels

(all employees, thousands)

State	Employment
Kansas	266.5
Arkansas	212.6
Colorado	379.8
Iowa	256.0
Missouri	446.0
Nebraska	169.1
Oklahoma	327.3

About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for series come from a monthly survey of employers. The data are subject to major and minor revisions. The series count the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the public sector and one in retail, would be counted in both sectors.

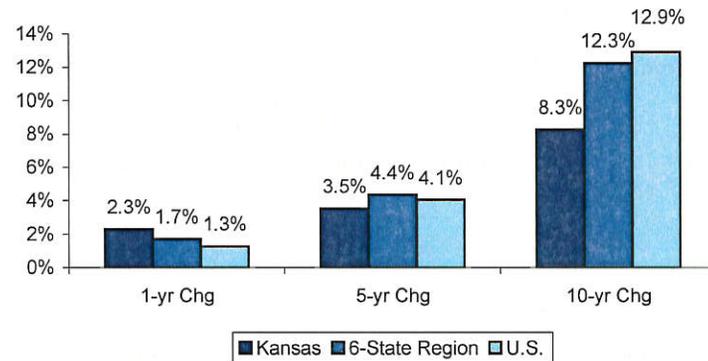
The data series chosen for IKE are not adjusted for seasonal variation; hence the short term employment graph shows substantial decreases in July and August when most public school personnel are off the job.

Public Sector Employment

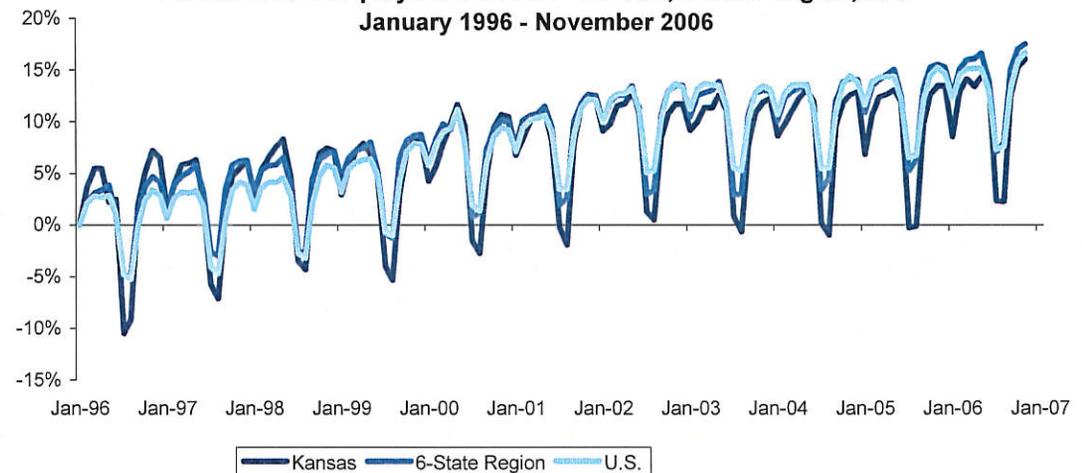
(all employees, thousands)

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	266.5	260.5	257.4	246.1	2.3%	3.5%	8.3%
6-State Region	1,790.8	1,760.4	1,715.8	1,594.9	1.7%	4.4%	12.3%
U.S.	22,614.0	22,331.0	21,732.0	20,030.0	1.3%	4.1%	12.9%

Percent Change in Public Sector Employment
1yr, 5yr, 10yr



Public Sector Employment Growth - Kansas, 6-State Region, U.S.
January 1996 - November 2006



November 2006 monthly data

Source: U.S. Department of Labor - Bureau of Labor Statistics -

<http://www.bls.gov/bls/employment.htm>

6-9



**Indicators of the Kansas Economy
Unemployment and Unemployment Rate**

Dec-06

Short-Term - 2005 to 2006

- Kansas unemployment down 11,978 (-16.2%)
- 6-State Region unemployment down 39,794 (-7.9%)
- U.S. unemployment down 695,000 (-9.6%)

- Kansas unemployment rate down (-0.8%)
- 6-State Region unemployment rate down (-0.4%)
- U.S. unemployment rate down (-0.5%)

**Unemployment and Unemployment Rate
(all employees)**

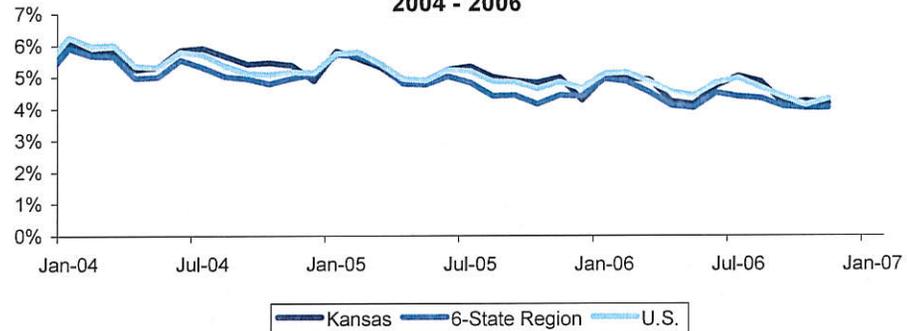
	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	61,907	73,885	66,589	62,135	-16.2%	-7.0%	-0.4%
6-State Region	464,742	504,536	480,141	406,864	-7.9%	-3.2%	14.2%
U.S.	6,576,000	7,271,000	7,617,000	6,816,000	-9.6%	-13.7%	-3.5%
Kansas (%)	4.2%	5.0%	4.7%	4.5%	-0.8%	-0.5%	-0.3%
6-State Region (%)	4.0%	4.4%	4.4%	3.9%	-0.4%	-0.4%	0.1%
U.S. (%)	4.3%	4.8%	5.3%	5.0%	-0.5%	-1.0%	-0.7%

Long-Term - 1996 to 2006

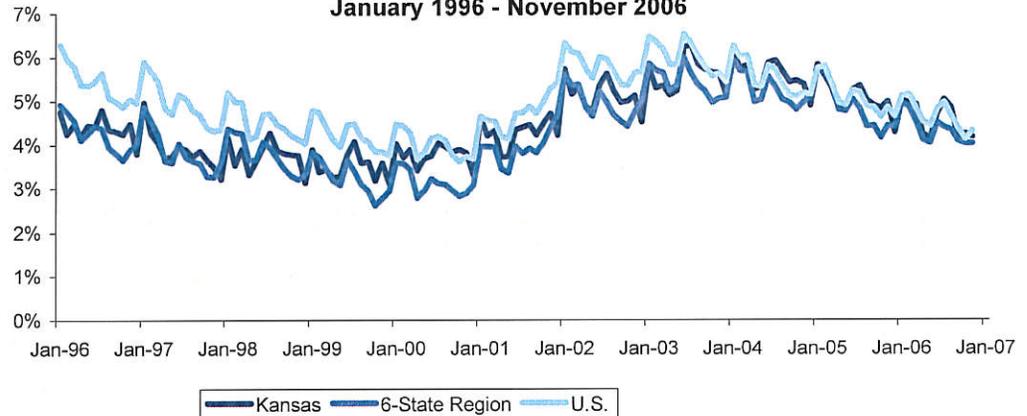
- Kansas unemployment down 228 (-0.4%)
- 6-State Region unemployment up 57,878 (14.2%)
- U.S. unemployment down 240,000 (-3.5%)

- Kansas unemployment rate down (-0.3%)
- 6-State Region unemployment rate up (0.1%)
- U.S. unemployment rate down (-0.7%)

**Unemployment Rate - Kansas, 6-State Region, U.S.
2004 - 2006**



**Unemployment Rate - Kansas, 6-State Region, U.S.
January 1996 - November 2006**



About the data and graphs

The unemployment rate represents the number unemployed as a percent of the labor force. As defined in the Current Population Survey, unemployed persons are persons aged 16 years and older who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.

The unemployment rate contains a seasonal component, it rises during summer as new high school and college graduates enter the civilian labor force and in January, when retailers lay off holiday employees. The unemployment rate also contains a business cycle component, rising during recessionary periods when people currently in the labor force lose jobs.

November 2006 monthly data

Source: U.S. Department of Labor - Bureau of Labor Statistics -

<http://www.bls.gov/bls/employment.htm>



**Indicators of the Kansas Economy
Initial Claims for Unemployment**

Dec-06

Short-Term - 2005 to 2006

- Kansas initial claims up 441 (4.1%)
- 6-State Region initial claims up 8,073 (8.8%)
- U.S. initial claims down 22,112 (1.5%)

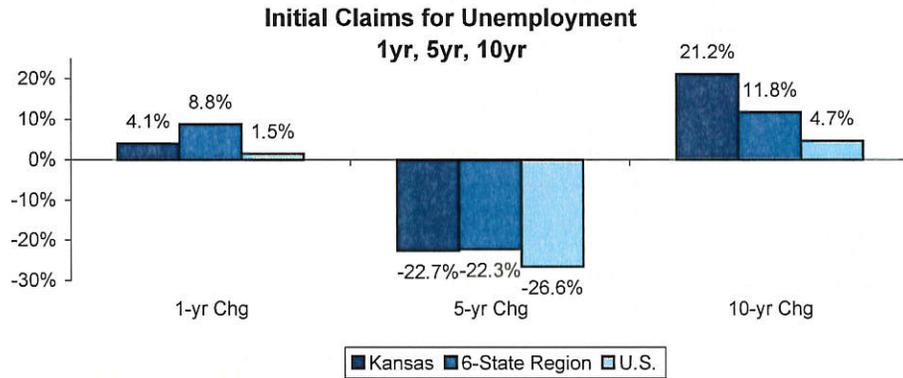
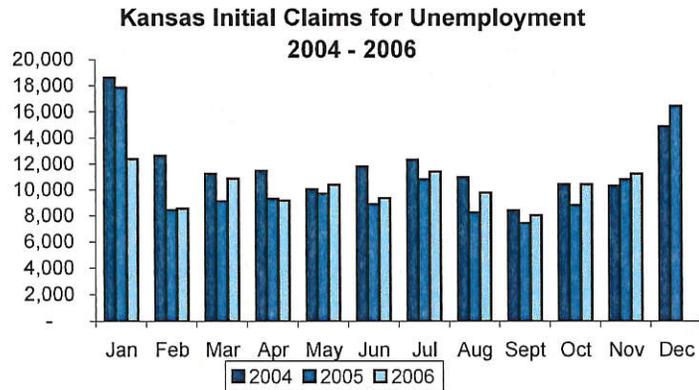
Long-Term - 1996 to 2006

- Kansas initial claims up 1,969 (21.2%)
- 6-State Region initial claims up 10,575 (11.8%)
- U.S. initial claims up 68,521 (4.7%)

Initial Claims for Unemployment

(all employees)

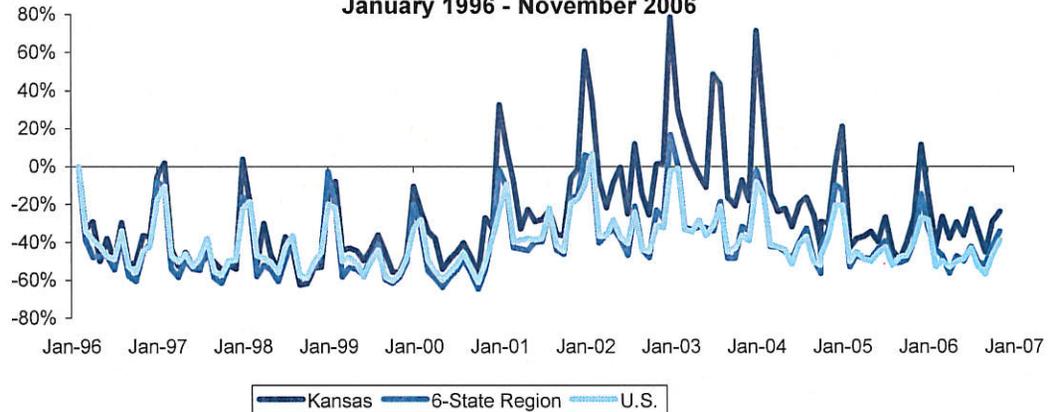
	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	11,242	10,801	14,536	9,273	4.1%	-22.7%	21.2%
6-State Region	100,086	92,013	128,832	89,511	8.8%	-22.3%	11.8%
U.S.	1,518,648	1,496,536	2,067,739	1,450,127	1.5%	-26.6%	4.7%



About the data and graphs

Initial claims for unemployment count the number of applications of workers who separated from their jobs and who wish to begin unemployment compensation or to extend the period of eligibility. The data are collected by the U.S. Department of Labor, Employment and Training Administration. The data produced by this agency are not seasonally adjusted. Initial claims for unemployment typically rise as the economy moves into recession and fall as the economy recovers. Initial claims for unemployment traditionally peak in the winter months of November, December, and January.

**Initial Claims For Unemployment - Kansas, 6-State Region, U.S.
January 1996 - November 2006**



November 2006 monthly data

Source: U.S. Department of Labor - Employment and Training Administration -

<http://workforcesecurity.doleta.gov/unemploy/claimssum.asp>



**Indicators of the Kansas Economy
Establishment Data**

Dec-06

6-12

Short-Term - 2003 to 2004

- Kansas total establishments up 855 (1.1%)
- 6-State Region total establishments up 10,388 (1.8%)
- U.S. total establishments up 132,979 (1.8%)

Long-Term - 1999 to 2004

- Kansas total establishments up 1,341 (1.8%)
- 6-State Region total establishments up 30,134 (5.4%)
- U.S. total establishments of 379,280 (5.4%)

Kansas Establishment Data

(by establishment size)

Year	1-9	10-49	50-99	100+
1999	54,885	15,836	2,082	1,683
2000	54,836	16,207	2,198	1,698
2001	54,716	16,032	2,120	1,697
2002	55,202	16,176	2,090	1,609
2003	54,977	16,228	2,151	1,616
2004	55,837	16,216	2,159	1,615
1yr%	1.6%	-0.1%	0.4%	-0.1%
5yr%	1.7%	2.4%	3.7%	-4.0%

About the data and graphs

According to the U.S. Small Business Administration, small businesses provide approximately 75 percent of the net new jobs added to the economy and employ 50.1 percent of the private work force. Encouraging entrepreneurship and fostering opportunities for small businesses are key components of the Economic Growth Act of 2004. This data tracks the number of business establishments by employee size to help understand what size businesses are growing.

04 annual data

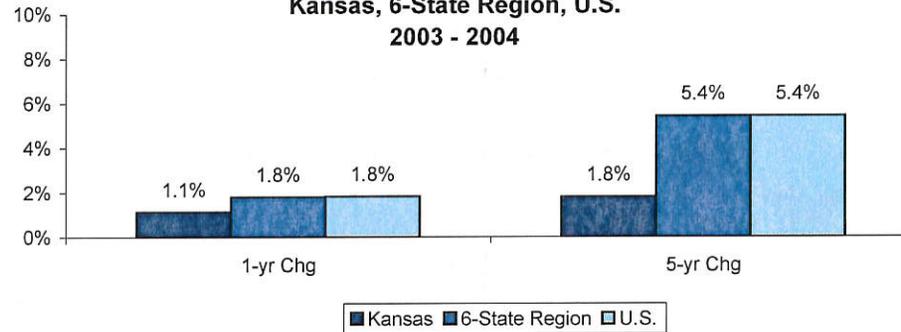
Source: U.S. Census Bureau - County Business Patterns -

Establishment Data

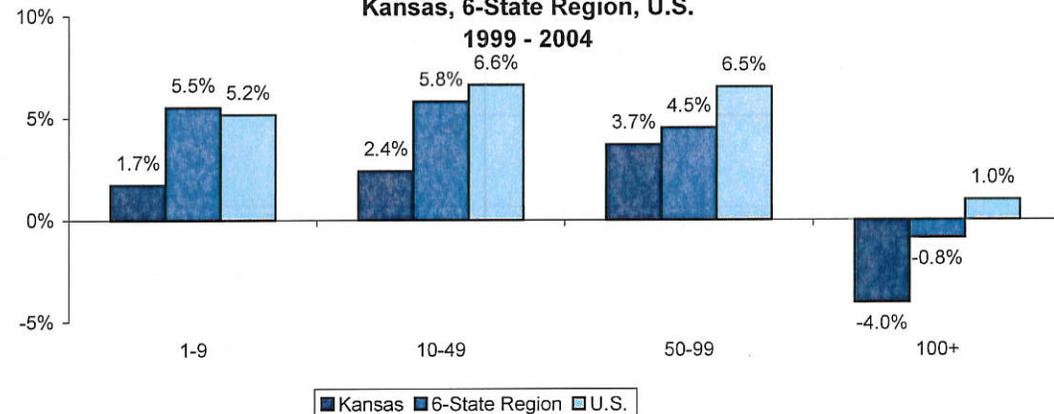
(all sizes, total establishments)

	2004	2003	1999	1-yr Chg	5-yr Chg
Kansas	75,827	74,972	74,486	1.1%	1.8%
6-State Region	586,523	576,135	556,389	1.8%	5.4%
U.S.	7,387,724	7,254,745	7,008,444	1.8%	5.4%

**Percent Change in Total Establishments
Kansas, 6-State Region, U.S.
2003 - 2004**



**Growth in Establishments by Employee Size
Kansas, 6-State Region, U.S.
1999 - 2004**





**Indicators of the Kansas Economy
Kansas Firm Birth and Termination**

Dec-06

Short-Term - 2004 to 2005

- Firm Births up 353 (5.2%)
- Firm Terminations up 80 (1.1%)
- Firm Bankruptcies up 142 (53.0%)

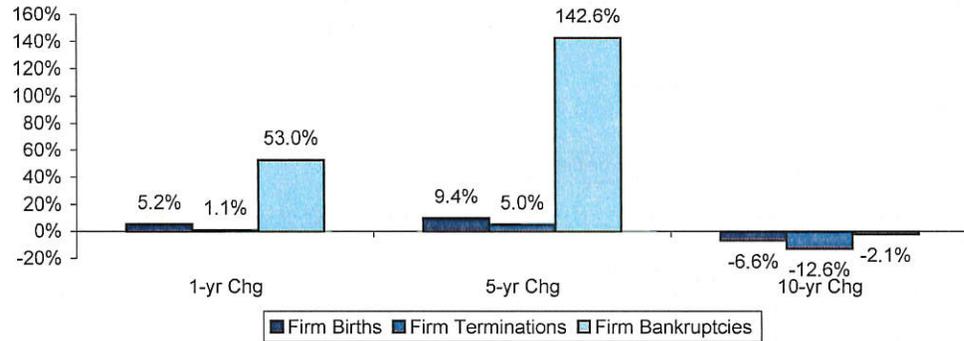
Long-Term - 1995 to 2005

- Firm Births down 505 (-6.6%)
- Firm Terminations down 1,057 (-12.6%)
- Firm Bankruptcies down 9 (-2.1%)

Kansas Firm Birth and Termination

	2005	2004	2000	1995	1-yr Chg	5-yr Chg	10-yr Chg
Firm Births	7,095	6,742	6,483	7,600	5.2%	9.4%	-6.6%
Firm Terminations	7,330	7,250	6,981	8,387	1.1%	5.0%	-12.6%
Firm Bankruptcies	410	268	169	419	53.0%	142.6%	-2.1%

**Percent Change in Kansas
Firm Birth, Termination, Bankruptcies
1yr, 5yr, 10yr**



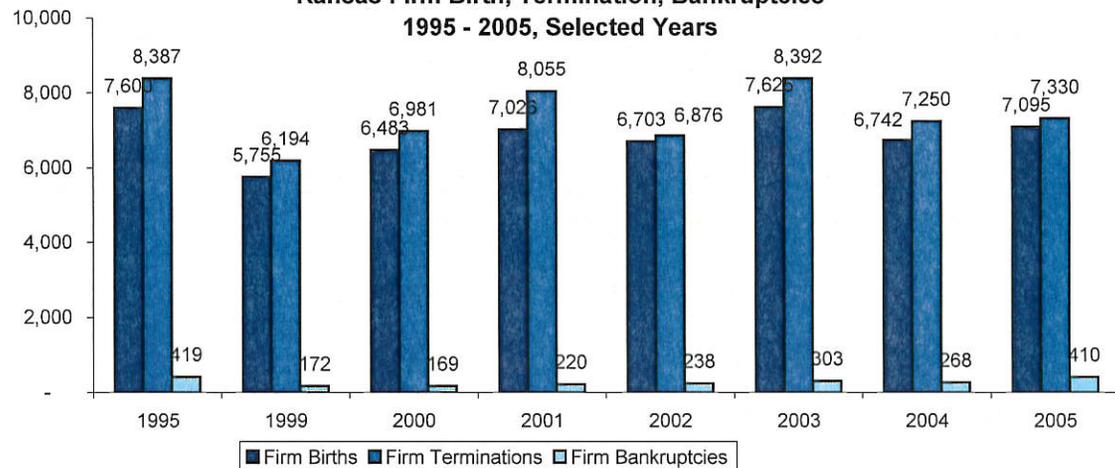
About the data and graphs

Tracking the number of employer firm births, terminations, and bankruptcies may help understand the environment for new firm development.

Firms terminate operations for a variety of reasons, not all of which have a negative impact on the economy. For example, an owner of a profitable small business may choose to cease operations to become an employee of another firm or a new business opportunity replaces an outmoded operation. Firm termination rates are nearly always higher than firm formations, as some firm terminations result in a successor firm (firms that are acquired by a new owner) which is not listed as a new firm.

Firm bankruptcies are included in the count of firm terminations.

**Kansas Firm Birth, Termination, Bankruptcies
1995 - 2005, Selected Years**



2005 annual data

Source: U.S. Small Business Administration - Office of Advocacy -

<http://www.sba.gov/advo/research/profiles>



Indicators of the Kansas Economy
Kansas Farm Management Association Data

Dec-06

Short-Term - 2005

- 1,532 farms reported farm operation data to KFMA
- KFMA farms averaged \$294,230 in value of farm production
- \$237,247 in total farm expense
- KFMA average net farm income was \$56,982
- SE region had the highest net farm income at \$76,283
- SW region had the lowest net farm income at \$23,779

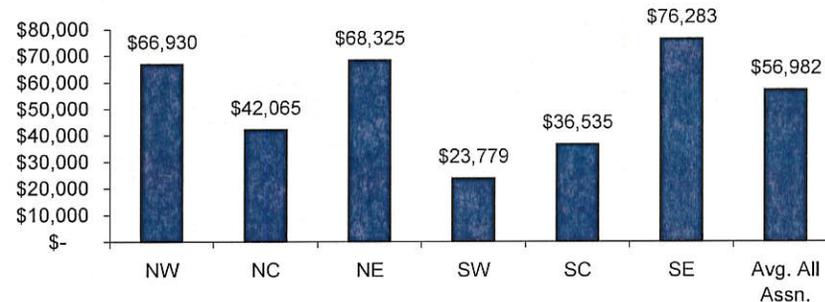
KFMA Average Net Farm Income by Region

Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2004	\$ 45,801	\$ 51,670	\$ 77,393	\$ 29,927	\$ 52,709	\$ 84,394	\$ 62,604
2005	\$ 66,930	\$ 42,065	\$ 68,325	\$ 23,779	\$ 36,535	\$ 76,283	\$ 56,982
5-yr avg	\$ 39,909	\$ 37,951	\$ 45,629	\$ 21,621	\$ 34,318	\$ 59,958	\$ 43,548
10-yr avg	\$ 44,783	\$ 38,700	\$ 41,724	\$ 34,852	\$ 38,451	\$ 53,686	\$ 43,747

Long-Term - 1995 to 2005

- KFMA average net farm income varies widely from year to year
- From 2000 to 2005, average net farm income was \$43,548
- From 1995 to 2005, average net farm income was \$43,747

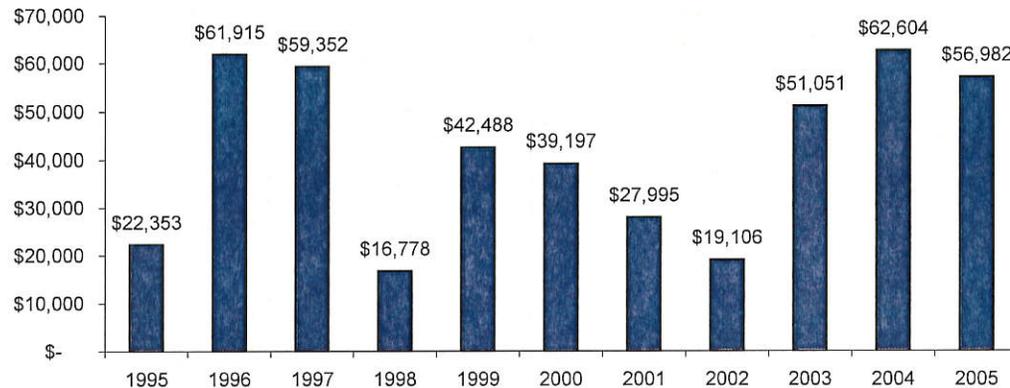
**2005 Kansas Farm Management Association
 Average Net Farm Income by Region**



About the data and graphs

The Kansas Farm Management Association (KFMA) program is one of the largest publicly funded farm management programs in the U.S. Membership in the KFMA program includes over 2,500 farms and over 3,200 families. The goal of the KFMA program are to provide each member with information about business and family costs to improve farm business organization, farm business decisions, and farm profitability; and minimize risk. The KFMA program is organized into six regional associations.

**Kansas Farm Management Association Average Net Farm Income
 1995 - 2005**



2005 annual data

Source: Kansas State University - Kansas Farm Management Association -

www.agecon.ksu.edu/kfma



Indicators of the Kansas Economy Monthly Summary of the Farm Economy

Dec-06

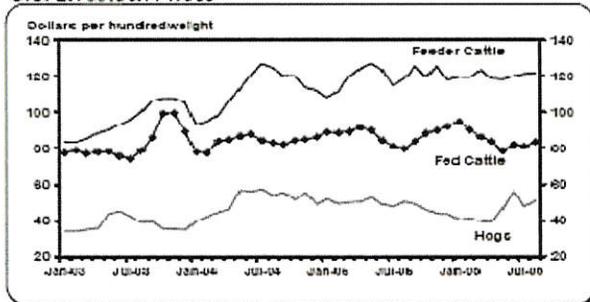
Overview (August 2006):

Livestock prices were stronger in August while crop prices fell throughout most of the month. Strong beef demand underpinned fed cattle prices, despite the large numbers of cattle in feedlots. Feeder cattle prices remained solid due to continued short supplies of feeder calves. Crop prices tumbled after USDA's prediction of large corn and soybean crops this fall. Soybean markets had not turned higher at the end of the month due to a combination of large supplies and big crop expectation. Corn and wheat prices, however, did tick upward at the end of August. Although a large corn crop is expected this fall, soaring ethanol production will continue to use more of the crop and trim available corn stocks in the coming years. Wheat prices moved up due to low supplies globally.

Drought conditions spurred early concerns about the corn and soybean crops. But these concerns did not materialize as timely moisture was received in major corn and soybean producing regions during the critical points of the growing season. As a result, nearly 60 percent of both crops were in good to excellent condition at the end of the month. Pasture conditions, however, have suffered from the drought in many regions and only 23 percent of the nation's pasture area was in good or excellent condition. This has caused ranchers to cull their herds in many parts of Texas, Oklahoma, and the northern Plains. Thus the current expansion of the nation's cattle herd could slow. Going forward, the most recent drought outlook does suggest a large area of improvement throughout the central United States.

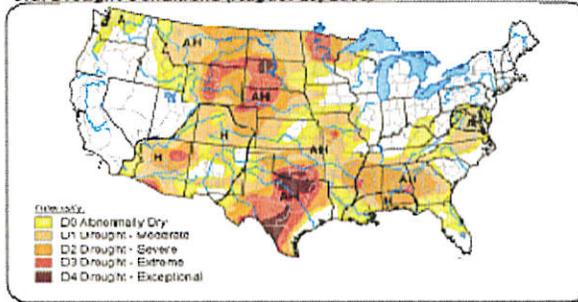
USDA released an updated forecast of U.S. net farm income in August. Net farm income is expected to decline significantly from the record-setting levels of the previous two years. At \$54.4 billion, the estimate is also below the 10-year average. Lower livestock receipts and government payments and higher farm expenses led to the decline in the forecast of overall farm income.

U.S. Livestock Prices



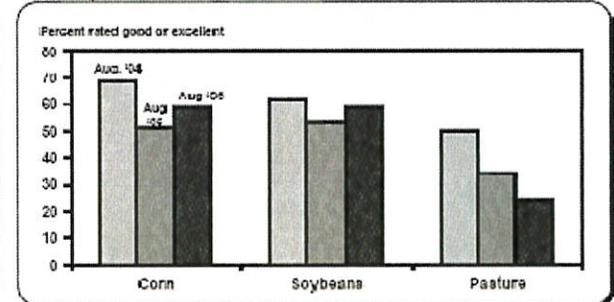
Source: The Wall Street Journal and USDA

U.S. Drought Conditions (August 29, 2006)



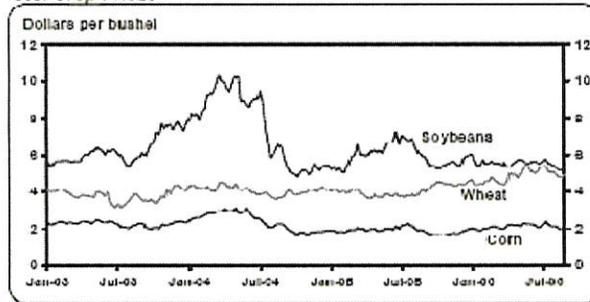
Source: National Drought Mitigation Center

U.S. Crop and Pasture Conditions



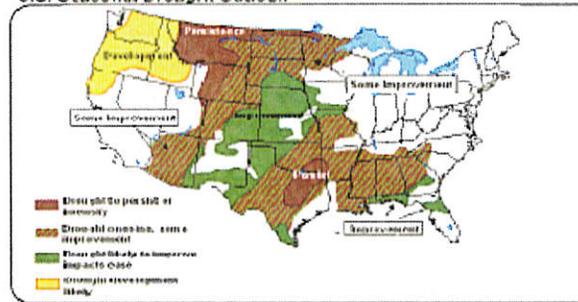
Source: USDA

U.S. Crop Prices



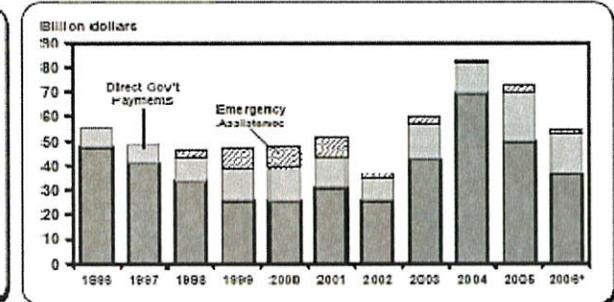
Source: The Wall Street Journal

U.S. Seasonal Drought Outlook



Source: Climate Prediction Center

U.S. Net Farm Income



Source: USDA

*Forecast



Indicators of the Kansas Economy Kansas Oil Production and Price

Dec-06

Short-Term - 2005 to 2006

- Kansas oil production up 124,055 bbl (4.2%)
- Kansas oil price up \$8.1 (12.4%)

Long-Term - 1996 to 2006

- Kansas oil production down 627,548 bbl (-17.0%)
- Kansas oil price up \$51.1 (233.5%)

2006 Oil Production/Price

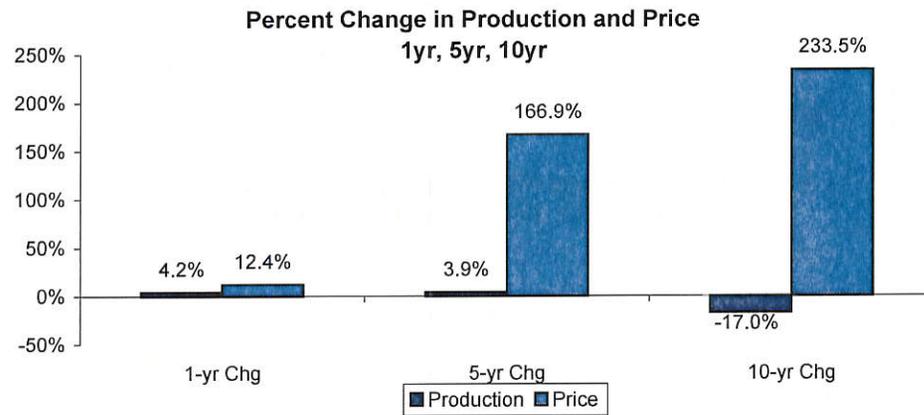
Month	Production*	Price	Month	Production*	Price
January	3,008,738	\$ 65.48	July	2,997,402	\$ 74.41
February	2,694,619	\$ 61.63	August	3,067,389	\$ 73.04
March	3,027,141	\$ 62.69	September		\$ 63.80
April	2,929,625	\$ 69.44	October		\$ 58.89
May	3,114,128	\$ 70.84	November		\$ 59.08
June	2,990,271	\$ 70.95	December		

* Recent months production usually incomplete and revised upwards.

Oil Production* and Price

(most recent month of both production and price information)

	Aug-06	Aug-05	Aug-01	Aug-96	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,067,389	2,943,334	2,952,000	3,694,937	4.2%	3.9%	-17.0%
Price (\$/bbl)	\$ 73.04	\$ 64.98	\$ 27.37	\$ 21.90	12.4%	166.9%	233.5%

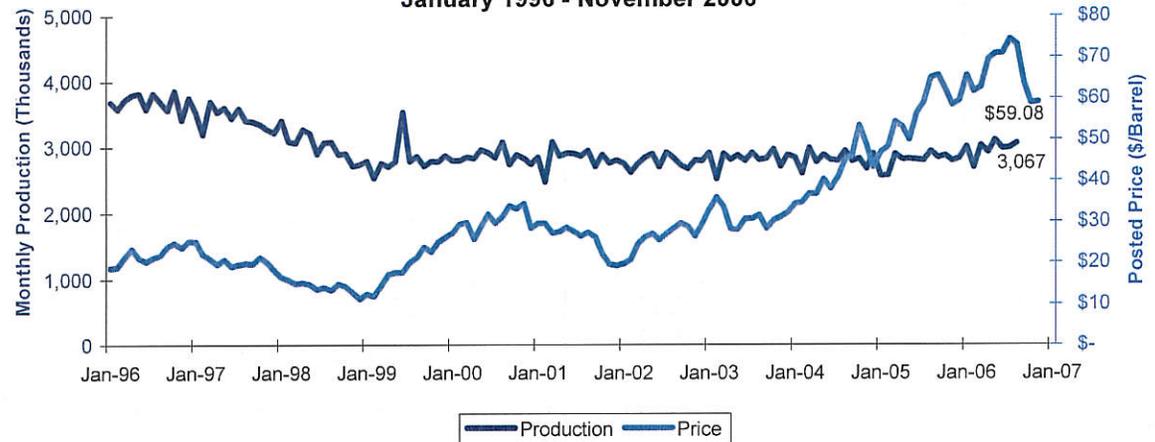


About the data and graphs

Since the 1990's, monthly production of oil has steadily declined in Kansas. Kansas has experienced a natural decline in oil production as it becomes increasingly difficult to extract oil over time. CO₂ sequestration and other oil recovery techniques show great promise in recovering a larger share of the know oil reserves in Kansas. The higher prices received for oil along with new technology developments have helped to stabilize oil production levels since 1999.

These prices represent the Cushing, OK WTI Spot Price FOB (\$/Barrel). The amount of oil produced is measured in bbl (barrels of oil).

Kansas Oil Production and Price January 1996 - November 2006



006 monthly data

Source: Kansas Geological Survey, Energy Information Administration -

<http://www.eia.doe.gov/>

<http://www.kgs.ku.edu/PRS/petro/interactive.html>



**Indicators of the Kansas Economy
Kansas Natural Gas Production and Price**

Dec-06

Short-Term - 2005 to 2006

- Kansas natural gas production down 2,459,640 mcf (-7.4%)
- Kansas natural gas price down \$1.2 (-15.2%)

Long-Term - 1996 to 2006

- Kansas natural gas production down 29,110,526 mcf (-48.8%)
- Kansas natural gas price up \$4.4 (210.0%)

Natural Gas Production* and Price

(most recent month of both production and price information)

	Aug-06	Aug-05	Aug-01	Aug-96	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	30,573,132	33,032,772	41,134,974	59,683,658	-7.4%	-25.7%	-48.8%
Price (\$/mcf)	\$ 6.51	\$ 7.68	\$ 3.33	\$ 2.10	-15.2%	95.5%	210.0%

2006 Natural Gas Production/Price

Month	Production*	Price	Month	Production*	Price
January	31,697,928	\$ 8.66	July	31,699,798	\$ 5.82
February	28,149,870	\$ 7.28	August	30,573,132	\$ 6.51
March	31,285,177	\$ 6.52	September		\$ 5.51
April	30,392,971	\$ 6.59	October		
May	31,414,951	\$ 6.19	November		
June	30,716,870	\$ 5.80	December		

* Recent months production usually incomplete and revised upwards.

About the data and graphs

Since the 1990's, the monthly production of natural gas has declined in Kansas, as the Hugoton natural gas field has decreased in production. The Hugoton natural gas field is the state's largest natural gas field and extends into Oklahoma and Texas. As with Kansas oil production, natural gas production is experiencing a natural decline in production. Price for natural gas has remained fairly constant in the 1990's, and since March 1999 prices have rose considerably.

These prices represent wellhead price, the value at the mouth of the well. The amount of natural gas produced is measured in Mcf's (thousand cubic feet).

**Percent Change in Production and Price
1yr, 5yr, 10yr**



**Kansas Natural Gas Production and Price
January 1996 - September 2006**



2006 monthly data

Source: Kansas Geological Survey, Energy Information Administration -

<http://www.eia.doe.gov/>

<http://www.kgs.ku.edu/PRS/petro/interactive.html>



Indicators of the Kansas Economy Gross State Product

Dec-06

Short-Term - 2004 to 2005

- Kansas GSP up \$6,647 million (6.7%)
- 6-State Region GSP up \$45,084 million (5.8%)
- U.S. GSP up \$754,220 million (6.5%)

Long-Term - 1995 to 2005

- Kansas GSP up \$41,875 million (65.7%)
- 6-State Region GSP up \$340,208 million (70.2%)
- U.S. GSP up \$5,176,833 million (71.6%)

2005 Gross State Product

(millions of current dollars)

Region	Gross State Product
Kansas	\$ 105,574
Arkansas	\$ 86,752
Colorado	\$ 216,537
Iowa	\$ 113,552
Missouri	\$ 216,065
Nebraska	\$ 70,676
Oklahoma	\$ 121,490
6-St Region (w/o KS)	\$ 825,072
U.S.	\$ 12,409,555

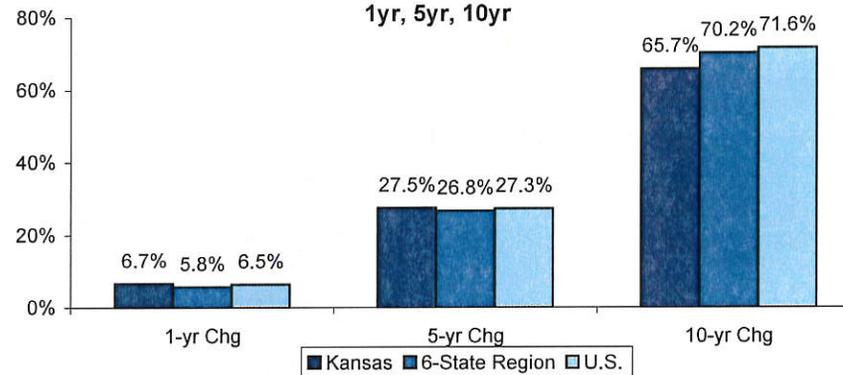
Gross State Product

(millions of current dollars)

	2005	2004	2000	1995	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	105,574	98,927	82,812	63,699	6.7%	27.5%	65.7%
6-State Region	825,072	779,988	650,792	484,864	5.8%	26.8%	70.2%
U.S.	12,409,555	11,655,335	9,749,103	7,232,722	6.5%	27.3%	71.6%

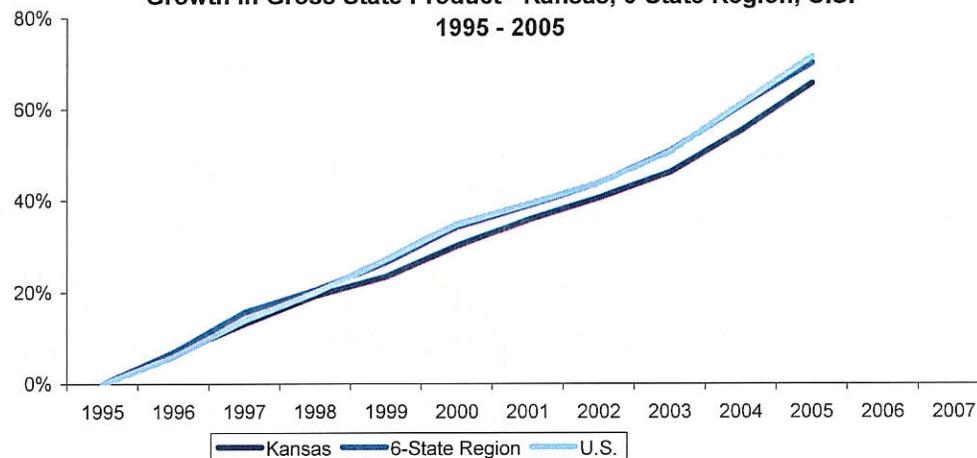
Percent Change in Gross State Product

1yr, 5yr, 10yr



Growth in Gross State Product - Kansas, 6-State Region, U.S.

1995 - 2005



About the data and graphs

GSP captures state economic growth, providing an overall analysis of the performance of the economy. GSP is the value added in production by the labor and property located in the state.

In concept, an industry's GSP, referred to as its "value added," is equivalent to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported.)

All GSP data is displayed in current dollars and are not adjusted for inflation.

005 annual data

Source: U.S. Department of Commerce - Bureau of Economic Analysis -

<http://www.bea.gov/bea/regional/data.htm>

6-18

Short-Term - 2005 to 2006, 2004 to 2005

- Kansas PI up \$3,748 million (4.1%)
- 6-State Region PI up \$27,964 million (4.0%)
- U.S. PI up \$452,429 million (4.4%)

- Kansas PCPI up \$1,636 (5.2%)
- 6-State Region PCPI up \$1,188 (3.9%)
- U.S. PCPI up \$1,405 (4.2%)

Long-Term - 1996 to 2006, 1995 to 2005

- Kansas PI up \$34,482 million (57.4%)
- 6-State Region PI up \$276,485 million (62.3%)
- U.S. PI up \$4,143,168 million (63.2%)

- Kansas PCPI up \$11,390 (52.8%)
- 6-State Region PCPI up \$10,785 (51.6%)
- U.S. PCPI up \$11,419 (49.5%)

About the data and graphs

Personal income is the income that is received by all persons from all sources and is reported quarterly and is seasonally adjusted at annual rates. Per capita personal income is the annual personal income divided by the population.

Personal income is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance. The personal income of an area is the income that is received by, or on behalf of, all of the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients. All state estimates are in current dollars (not adjusted for inflation).

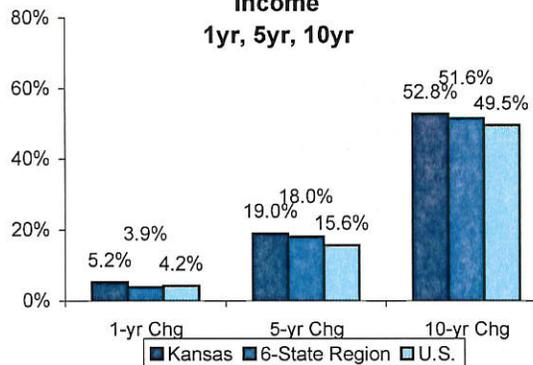
Personal Income Quarterly Estimates - (millions of dollars)

	2006-Q3	2005-Q3	2001-Q3	1996-Q3	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	94,578	90,830	77,678	60,096	4.1%	21.8%	57.4%
6-State Region	720,317	692,353	590,468	443,832	4.0%	22.0%	62.3%
U.S.	10,700,889	10,248,460	8,726,357	6,557,721	4.4%	22.6%	63.2%

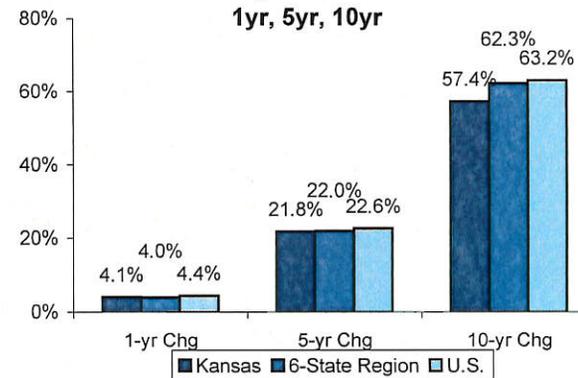
Per Capita Personal Income Annual Estimates - (\$)

	2005	2004	2000	1995	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	32,948	31,312	27,694	21,558	5.2%	19.0%	52.8%
6-State Region	31,682	30,494	26,854	20,897	3.9%	18.0%	51.6%
U.S.	34,495	33,090	29,845	23,076	4.2%	15.6%	49.5%

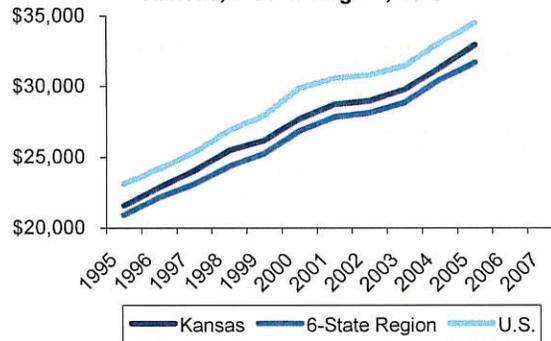
Percent Change in Per Capita Personal Income 1yr, 5yr, 10yr



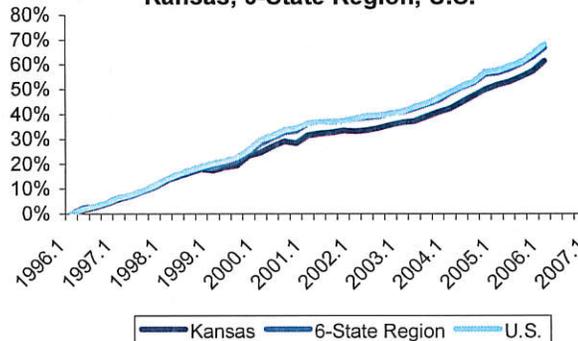
Percent Change in Personal Income 1yr, 5yr, 10yr



Growth in Per Capita Personal Income - Kansas, 6-State Region, U.S.



Growth in Personal Income - Kansas, 6-State Region, U.S.



6-19



**Indicators of the Kansas Economy
Chicago Fed National Activity Index (CFNAI)**

Dec-06

Short-Term - 2006

During November 2006, the CFNAI was (-0.26), slightly up from the (-0.30) in October. All of the four broad categories of indicators made negative contributions. Production-related indicators made a negative contribution of (-0.04) in November after making a negative contribution of (-0.23) in October. Employment-related indicators made a negative contribution of (-0.15) after making a negative contribution of (-0.04) in October. Consumption and housing indicators made a negative contribution of (-0.05) in November after making a contribution of (-0.03) in October. The sales, orders, and inventories category made a small negative contribution of (-0.02) to the November CFNAI.

Long-Term - 1996 to 2006

Since January 1990, the CFNAI has demonstrated excellent predictive power as CFNAI values have fallen substantially prior to each of the two most recent recessions, from July 1990 to March 1991, and from March 2001 to November 2001.

About the data and graphs

The performance of the U.S. economy has a major impact on the performance of the Kansas economy.

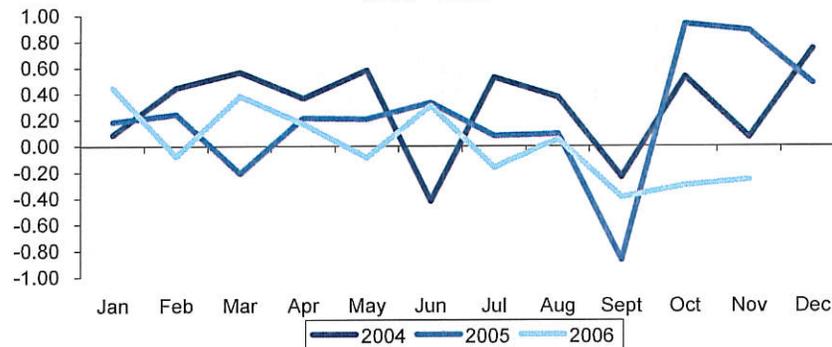
The Chicago Fed National Activity Index (CFNAI) is a monthly U.S. index designed to better gauge overall economic activity and inflationary pressure.

The index uses 85 economic indicators from four broad categories of data: production and income; employment, unemployment and hours; personal consumption and housing; and sales, orders and inventories. **A positive number indicates above average growth while a negative number indicates below average growth. Sustained CFNAI readings above zero suggest increased inflationary pressures over the coming year.**

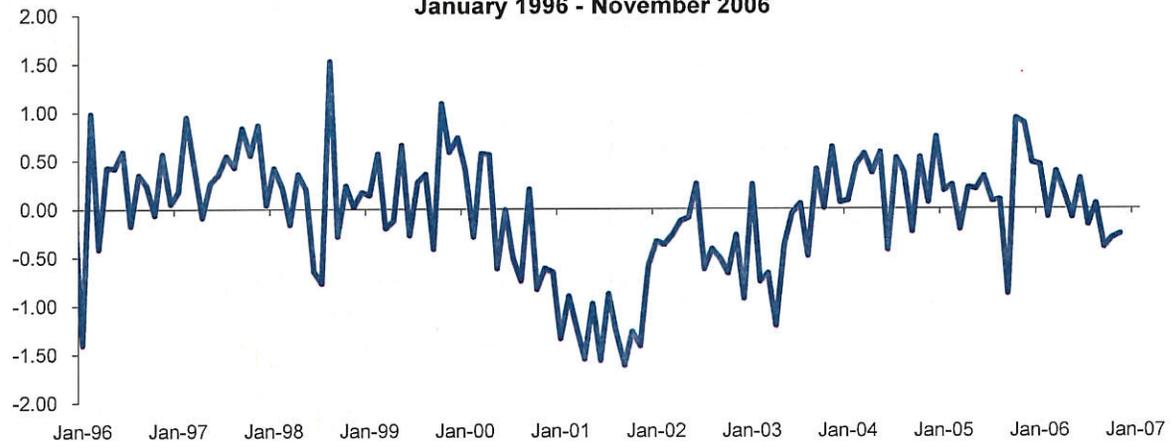
CFNAI

	Nov-06	Oct-06	Sep-06	Aug-06	Jul-06	Jun-06	Nov-05
CFNAI	(0.26)	(0.30)	(0.39)	0.05	(0.16)	0.31	0.88

**Chicago Federal Reserve National Activity Index
2004 - 2006**



**Chicago Federal Reserve National Activity Index
January 1996 - November 2006**



November 2006 monthly data
Source: Federal Reserve Bank of Chicago -

6-20



**Indicators of the Kansas Economy
Consumer Price Index**

Dec-06

Short-Term - 2005 to 2006

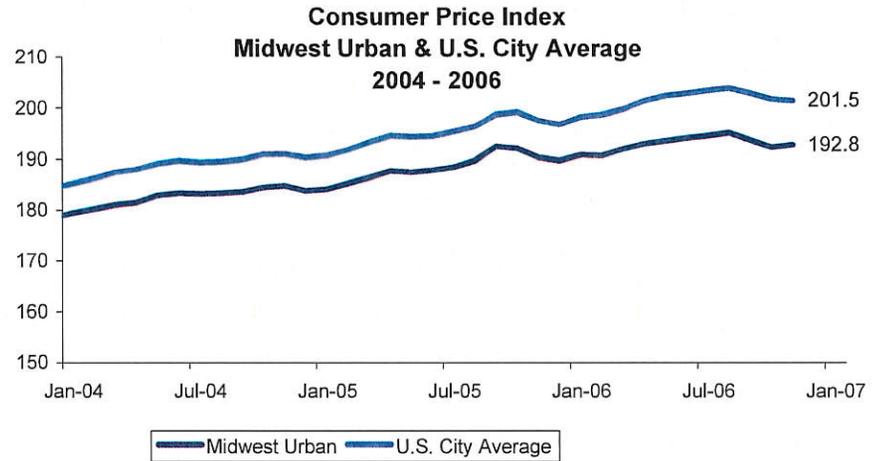
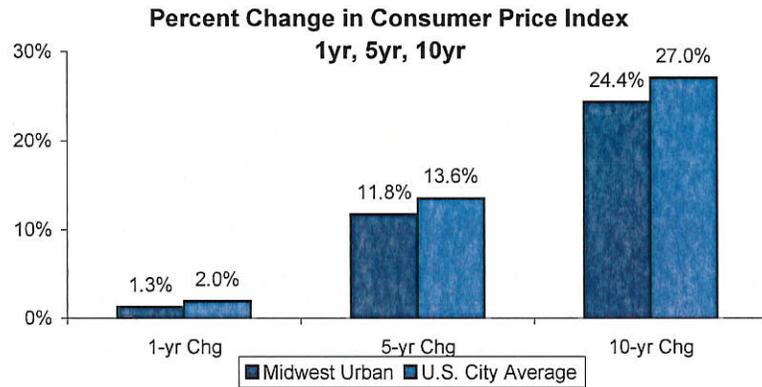
- Midwest Urban CPI up 2.5 (1.3%)
- U.S. City Average CPI up 3.9 (2.0%)

Long-Term - 1996 to 2006

- Midwest Urban CPI up 37.8 (24.4%)
- U.S. City Average CPI up 42.9 (27.0%)

Consumer Price Index

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	192.8	190.3	172.5	155.0	1.3%	11.8%	24.4%
U.S. City Average	201.5	197.6	177.4	158.6	2.0%	13.6%	27.0%



About the data and graphs

The CPI program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services. It is the most widely used measure of inflation.

The U.S. City Average is a measure of the average change over time in the prices paid by urban consumers throughout the United States for a market basket of consumer goods and services. It is adjusted to equal 100 during the base period of 1982-1984. The U.S. City Average CPI reflects spending patterns for all urban consumers, who represent about 87 percent of the total U.S. population.

The Midwest Urban Consumer Price Index is calculated in the same way as the U.S. City Average CPI, however, the Midwest CPI is limited to urban consumers within the Midwest Census region.



November 2006 monthly data

Source: U.S. Department of Labor - Bureau of Labor Statistics -

<http://stats.bls.gov/cpi/home.htm>



**Indicators of the Kansas Economy
Kansas Consumer Sentiment - 3rd Quarter 2006**

Dec-06

Methods

- Random telephone survey of a representative sample of adult Kansans from July 6 to September 18, 2006.
- 2006 3rd quarter number of responses is 304.
- 2006 3rd quarter full sample margin of error is 5.6%.

$$2006 \text{ 3rd Quarter Kansas ICS} = (((Q1 + Q2 + Q3 + Q4 + Q5) / 6.7558) + 2.0)$$

$$2006 \text{ 3rd Quarter Kansas ICS} = (((113 + 137 + 80 + 78 + 125) / 6.7558) + 2.0) = 80.7$$

Kansas Consumer Sentiment

4th Quarter 2005	68.2
1st Quarter 2006	82.1
2nd Quarter 2006	75.4
3rd Quarter 2006	80.7

Table 1. Index of Consumer Sentiment (ICS) Item Response: 3rd Quarter 2006

Survey Item	Response Distribution Frequencies N (%)	Among Favorable and Unfavorable Replies: % Favorable	Among Favorable and Unfavorable Replies: % Unfavorable	Rounded Relative Score (Percent Favorable minus Percent Unfavorable) + 100
Q1. We are interested in how people are getting along financially these days. Would you say you and your family living there are better off or worse off financially than you were a year ago?	Better = 110 (36%) Same = 108 (36%) Worse = 85 (28%) DK = 1 (<1%)	56.41026	43.58974	113
Q2. Now looking ahead, do you think that a year from now you and your family living there will be better off financially, or worse off, or just about the same as now?	Will be better off = 86 (28%) Same = 164 (54%) Will be worse off = 40 (13%) DK = 14 (5%)	68.25397	31.74603	137
Q3. Now turning to business conditions in the country as a whole, do you think that during the next twelve months we'll have good times financially, or bad times, or what?	Good/mostly good times = 84 (31%) Pro-Con = 40 (13%) Bad/mostly bad times = 142 (47%) DK = 14 (5%)	39.83051	60.16949	80
Q4. Looking ahead, which would you say is more likely, that in the country as a whole we'll have continuous good times during the next five years or so, or that we will have periods of widespread unemployment or depression, or what?	Majority good comments = 84 (31%) Majority bad comments = 147 (48%) DK or refused = 83 (21%)	39.00415	60.99585	78
Q5. About the big things people buy for their homes, such as furniture, a refrigerator, a stove, a television, and things like that - generally speaking, do you think now is a good time or a bad time for people to buy major household items?	Good time = 120 (40%) Pro-Con = 31 (10%) Bad time = 72 (24%) Only buy when need = 28 (9%) DK = 53 (17%)	62.50000	37.50000	125

About the data

Kansas, Inc. has contracted with the Docking Institute of Public Affairs at Fort Hays State University to conduct a statewide telephone survey on a quarterly basis. The general objectives of the study were to: determine consumer sentiment in Kansas, analyze sentiment by a number of socio-demographic indicators, determine attitudes toward state levels of spending in particular economic development areas, analyze attitudes toward state spending by a number of socio-demographic indicators, examine the rating of the state government's performance at helping the state economy, and analyze the rating of state government performance by a number of socio-demographic indicators.

3rd Quarter 2006 data

Source: Docking Institute of Public Affairs at Fort Hays State University and Kansas, Inc. -

<http://www.kansasinc.org>

6-22



Indicators of the Kansas Economy Building Permits

Dec-06

Short-Term - 2005 to 2006

- Kansas building permits down 584 (-36.0%)
- 6-State Region building permits down 3,858 (-36.1%)
- U.S. building permits down 49,443 (-30.9%)

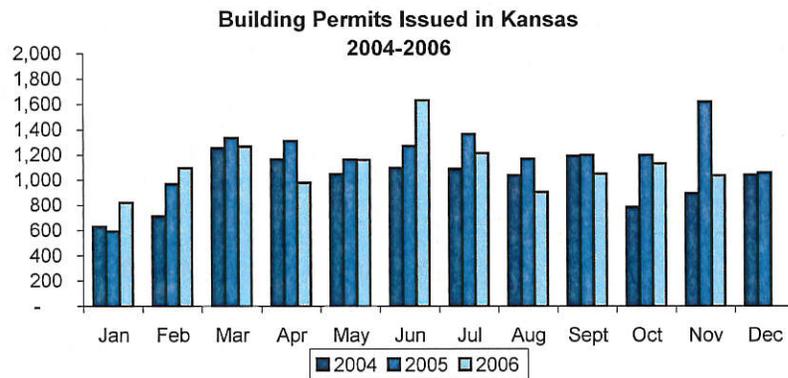
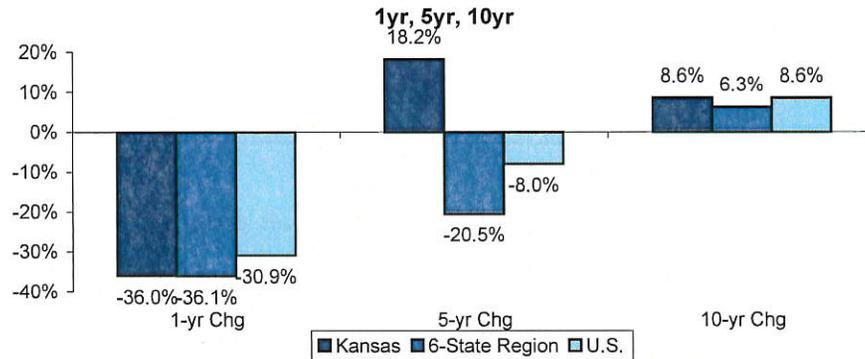
Long-Term - 1996 to 2006

- Kansas building permits up 82 (8.6%)
- 6-State Region building permits up 407 (6.3%)
- U.S. building permits up 8,711 (8.6%)

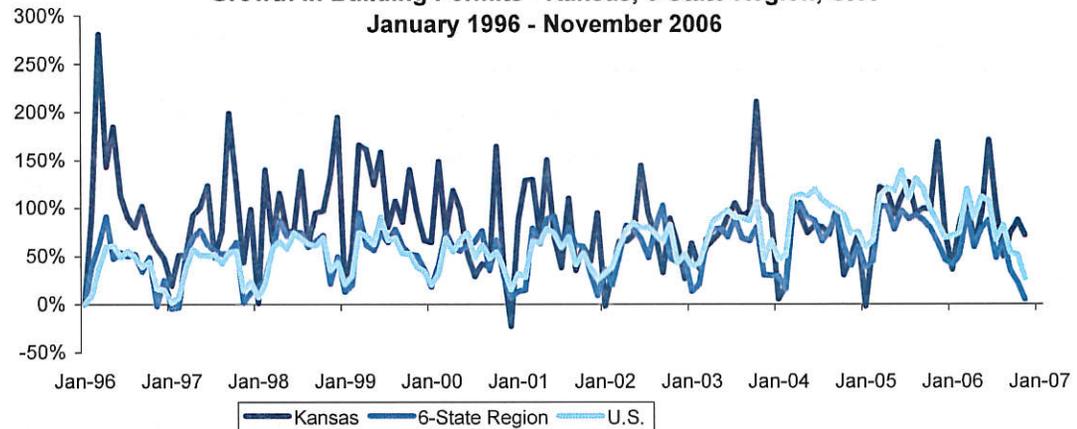
Building Permits

	Nov-06	Nov-05	Nov-01	Nov-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,037	1,621	877	955	-36.0%	18.2%	8.6%
6-State Region	6,840	10,698	8,600	6,433	-36.1%	-20.5%	6.3%
U.S.	110,370	159,813	119,964	101,659	-30.9%	-8.0%	8.6%

Percent Change in Building Permits



Growth in Building Permits - Kansas, 6-State Region, U.S. January 1996 - November 2006



A housing unit is a house, an apartment, a group of rooms or a single room intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have a direct access from the outside of the building or through a common hall.

November 2006 monthly data

Source: U.S. Census Bureau - <http://www.census.gov/econ/www/index.html>



Indicators of the Kansas Economy
Kansas Sales Tax Collections

Dec-06

Short-Term - 2005 to 2006

- Kansas sales tax collections up \$8,924,386 (6.1%)
- \$1,203,202,427 collected ytd during 2006
- \$1,740,749,106 collected total during 2005

Long-Term - 1996 to 2006

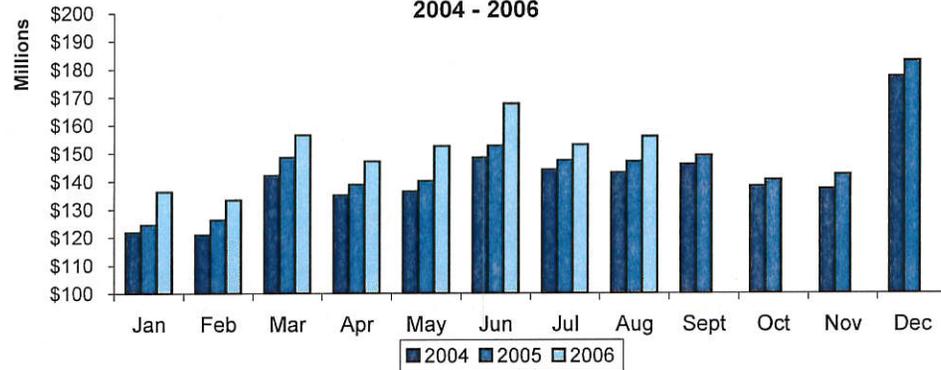
- Kansas sales tax collections up \$49,989,874 (47.2%)
- \$1,286,136,133 collected total during 1996

Monthly sales tax collections have trended higher as the economy has grown and two sales tax rate increases have been enacted. Annually, December typically collects the highest sales tax revenue, with January and February collecting the least. Consumers tend to delay purchases during a downturn in the economy, which can be reflected in lower sales tax collections in months proceeding and during a recession. Monthly sales tax collections tend to increase as the economy improves and consumer spending increases.

Sales Tax Collections

	Aug-06	Aug-05	Aug-01	Aug-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas \$	155,967,252	\$ 147,042,865	\$ 120,317,747	\$ 105,977,377	6.1%	29.6%	47.2%

Monthly Kansas Sales Tax Collections
2004 - 2006

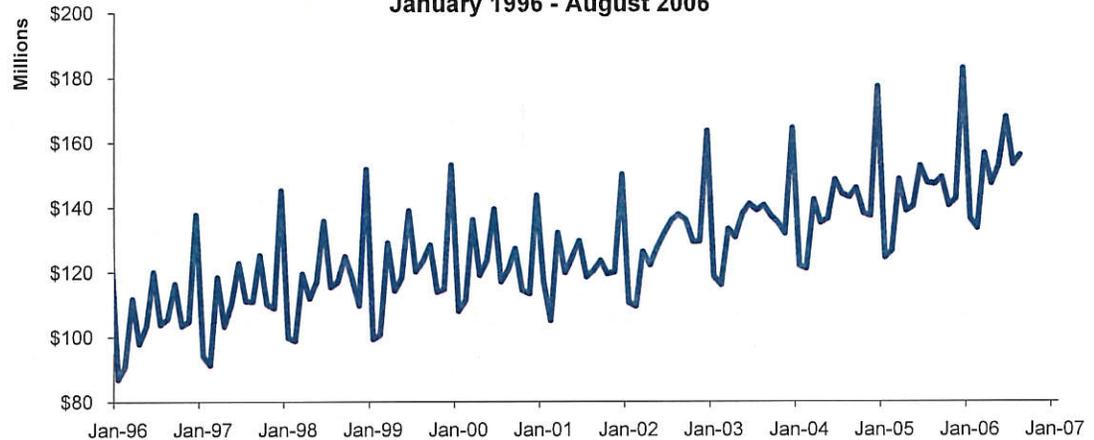


About the data and graphs

Tracking sales tax collections in Kansas gives insight into consumer behavior and demand. Sales tax collections can fluctuate widely from month to month. Since January 1990, state sales tax rates have increased on two occasions. In June 1992, the state sales tax rate increased from 4.25% to 4.90% and in July 2002 the state sales tax rate increased to 5.30%.

Various cities and counties in Kansas have an additional local sales tax. The entire listing of local sales tax rates is available at <http://www.ksrevenue.org/salesrateschanges.htm>

Monthly Kansas Sales Tax Revenue
January 1996 - August 2006



August 2006 monthly data

Source: Kansas Department of Revenue - <http://www.ksrevenue.org/salesreports.htm>

6-24



Indicators of the Kansas Economy Population

Dec-06

Short-Term - 2005 to 2006

- Kansas population up 15,903 (0.6%)
- 6-State Region population up 232,755 (1.1%)
- U.S. population up 2,891,423 (1.0%)

Long-Term - 1996 to 2006

- Kansas population up 149,521 (5.7%)
- 6-State Region population up 1,919,087 (9.7%)
- U.S. Population up 30,004,200 (11.1%)

July 1, 2006 Population Estimates

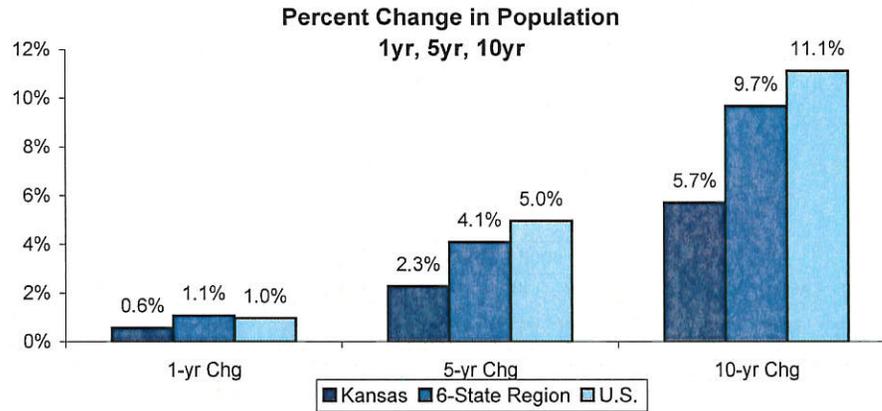
Region	Population
Kansas	2,764,075
Arkansas	2,810,872
Colorado	4,753,377
Iowa	2,982,085
Missouri	5,842,713
Nebraska	1,768,331
Oklahoma	3,579,212
6-St Region (w/o KS)	21,736,590
U.S.	299,398,484

About the data and graphs

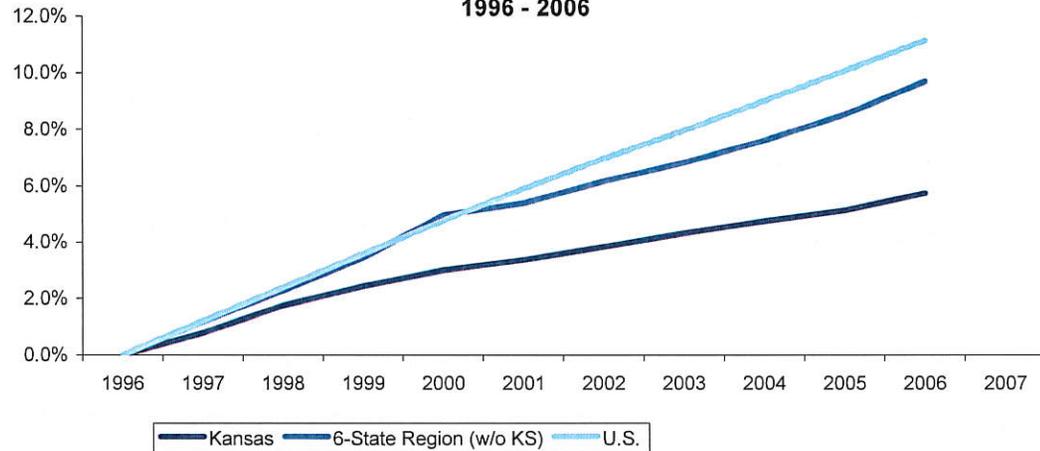
The U.S. Census Bureau publishes total resident population estimates and demographic components of change (births, deaths, and migration) each year. The reference date for estimates is July 1. Estimates usually are for the present and the past, while projections are estimates of the population for future dates. These estimates are developed with the assistance of the Federal State Cooperative Program for Population Estimates (FSCPE). These estimates are used in federal funding allocations, as denominators for vital rates and per capita time series, as survey controls, and in monitoring recent demographic changes. With each new issue of July 1 estimates, the estimates are revised for years back to the last census.

Population

	Jul-06	Jul-05	Jul-01	Jul-96	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,764,075	2,748,172	2,702,446	2,614,554	0.6%	2.3%	5.7%
6-State Region	21,736,590	21,503,835	20,881,612	19,817,503	1.1%	4.1%	9.7%
U.S.	299,398,484	296,507,061	285,226,284	269,394,284	1.0%	5.0%	11.1%



Population Growth - Kansas, 6-State Region, U.S. 1996 - 2006



KANSAS, INC.

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