

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Susan Wagle at 8:30 a.m. on March 4, 2011, in Room 548-S of the Capitol.

All members were present.

Senator Schodorf – excused

Senator Faust-Gaudeau - excused

Committee staff present:

Ms. Margaret Cianciarulo, Committee Assistant

Mr. Ken Wilke, Office of the Revisor of Statutes

Mr. Reed Holwegner, Kansas Legislative Research Department

Ms. Dorothy Noblitt, Kansas Legislative Research Department

Conferees appearing before the Committee:

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

Others attending:

See attached list.

Continued Overview of the Kansas Bioscience Authority

Upon calling the meeting to order, Chairperson Wagle announced they were going to continue their overview of the KBA. The Committee did have some questions from their last meeting of February 22, 2011, and the KBA has submitted a new booklet that was given to the Committee yesterday. She first wanted to point out some documents the Committee has before them, saying they had a lady by the name of Melissa Lynch, who was going to come today to testify who formally worked for the Bioscience Authority as an executive assistant.

- 1.) The first item before them is a contract where Ms. Lynch was offered a job with the KBA and worked there between 2006-2008.
- 2.) Next is a letter to the Committee from Ms. Lynch, and since she could not be here to testify because she had to work, the Chair will read the letter to them.
- 3.) The third handout is an anonymous fax the Chair received about a form and how the KBA analyzes job growth.
- 4.) Last is a scope statement from Post Audit entitled, "Kansas Bioscience Authority: Reviewing the Appropriateness of Its Expenditures."

She then read the letter she referred to in the second handout. A copy of the above four handouts are (Attachment 1) attached and incorporated into the Minutes as referenced. A copy of the new KBA booklet dated march 4, 2011 is (Attachment 2) attached and incorporated into the Minutes as referenced.

The Chair asked Mr. Thornton if there was an insurance policy that the Board has been covering? (He would like to respond to what he has read very briefly and then will answer her question. He said Melissa Lynch was the first executive assistant at the KBA and he did in fact hire her. She and he were, in fact, the only ones in that office for quite some time. Jan Katterhenry was the next hire as our Chief Financial Officer. Ms. Lynch was terminated for just cause, amongst other things. He can't speak to specifics, but would be more than happy to speak to the specifics in writing if that is acceptable to you and the Committee. He would tell them his contract is approved by the Board of Directors and likely as I am sure, our Chairman and Vice Chairman who are here with me, I will tell you this is consistent with other employment policies and agreements with people under similar situations. The answer to the question is yes.) So there is an insurance policy that the State is paying for, a life insurance policy? (The KBA most definitely paying for a term life insurance policy. And who is the beneficiary? (My children are.) Can you address the personal bills that she was asked to pay, including the lawn service? (I believe that she would be correct in that on occasion, I would have asked her to do that. I believe on occasion, she would have access to my bank account and I will provide the reasons and cause for which Ms. Lynch was terminated.) Does the Authority pay for a car? (They do) Then you also submit mileage in addition to the car payment?

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(I do not know.) So there are personal expenses being paid for out of finances of the Bioscience Board? (Is that the question you're asking?) Yes. (What I was responding to is this, she has my personal checkbook, she paid my lawn care bill, that's what she did and I believe, if I read that correction, I'm not sure how she has stated that. If you are stating that any other way, I would say that is incorrect.)

The Chair said she thinks what we are most concerned about here is the use of taxpayers dollars and about the salaries and bonuses. We have a 2010 budget submitted, salaries and expenses in 2010, and a list of increases in salaries from 2009. We also have an audit statement that the salary totals do not equal what the Committee received in the last book. (If you don't mind Madame Chair, I would like to call upon our Chairman. The Board of Directors not only sets but is responsible for compensation reviews and performances. This Board is very well engaged and if you don't mind, I am going to call on Governor Carlin, who is our Chairman and is joined by our Vice Chairman, Dr. Ray Smilor. He then asked the Chairman, if he could please address the issues of how compensation is set, how my performance is reviewed and evaluated and just generally, the compensation process of the Board? Governor Carlin said he can assure the Committee that the Board is very actively involved, particularly on the issues they are interested in regarding the terms of compensation, in terms of bonuses for not only Mr. Thornton but the other members of the staff. You and your colleagues in 2004 gave the State of Kansas a huge opportunity in his opinion the best piece of legislation that has been passed in the State's history in terms of giving Kansas some chances they would not have had otherwise. So he commends Chairperson Wagle and your colleagues who were a part of that and who have certainly been supportive of the KBA since its inception.)

The Chair asked Governor Carlin what year he went to the Bioscience Board? (I think it would have been 2006 in the spring. I finished a term and now I am in my third year of a reappointed term. He went on to say, we recognized that in order for us to do a good job, and you have given us the opportunity to do that, we had to pay salaries to attract the talent, retain the talent to get the job done. We would be happy this morning to share with you. You have asked for specifics which rightfully you should, and we welcome this opportunity quite frankly to communicate with you. We will give you some information this morning, of comparable salaries and benefits from other organizations across the country. For example, one of them we will share with you is the State of Georgia. They have an organization, the title is a little different, but the function is very similar. You will find the salary compensation very similar to what we have here. The difference is, Georgia was one of our competitors for getting the NBAF and you will note that their person did not get a bonus in the year they lost the NBAF. Yes we did provide a bonus, it was an incredible achievement and we would not have been in that position if we had not been able to hire Mr. Thornton, who was the Policy Director for Dennis Hassert, Speaker of the House, that is the one in Washington, D.C., and who has had similar experiences with entities in the State of Illinois. We would not have gotten NBAF. You get what you pay for. I understand why you asked the question and have no problem with your asking the question. We welcome the opportunity to respond. But you cannot attract and retain talent capable of carrying out your direction, without being willing to pay. And in addition to that, we didn't just distribute money and go on to the next request. We work with people to really make projects work. We stay with those projects and monitor them. We monitor outcomes on a regular basis. We know where every single investment is on a regular basis. It takes time and talent in order to help start-up companies to really succeed. Now if we cannot hold their hands, applaud and encourage them, we have to bring advice. We have got to help them secure the additional capital that will allow them to succeed, to have the proper structure to hire the talent they need to hire. The Centers we have put together, the fourth one will be coming, we have three now, one out of Wichita, one out of Lawrence Kansas City, and one out of Manhattan. The talent they had to hire to work with the private sector, comparable salaries to what we pay Mr. Thornton, obviously a smaller project. So we are very comfortable sharing with you the philosophy that we have had, the processes, I think even shared some of the stuff we have been through. We went outside in consulting to make sure we were competitive, we just wanted to find out after the fact, they that we weren't competitive with salaries and generally speaking consultants say they are in about the 75 percentile in terms of salaries.)

Chairperson Wagle asked for questions which came from:

1.) Senator Masterson who asked Governor Carlin what types of accountability do you have in place for not only you but your employees, that you look at, not necessarily on the compensation side but what appears to be on the expense side? How often do you go through that and hold people accountable for

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that? (In terms of personal expenses, what I mean by personal, not appropriate reimbursement travel, etc. that all comes to me to sign off on. Ms. Katterhenry has gone through the specifics, so I accept responsibility for those specifics during my tenure as Chair of the KBA. But we have a total package. We have an accounting team from Wichita that comes in, that works year round with us to audit everything and to make sure everything is appropriate. And the Board spends a lot of time, on a regular basis, staying in touch with what's being done, asking the questions. Ray, our Vice Chair is with me this morning and we feel very comfortable that we are getting the attention we need, getting the information we need, we are following through and yes, accountability is key, absolutely.) The only thing I was concerned about was the class by which you travel, seeing expenses from Ritz-Carlton and limousines and things like that. Do you approve of the travel and expense for an agency like this? (We approve of that level if it is appropriate for what is being done. We deal with folks who travel in those circles and consequently from time to time, yes we have to do something that a lot of us Kansas, including myself, would say that's a little beyond what should be necessary. But the reality is we want to be successful, continue growing beyond the success we have, with the opportunity you have given us and we don't want to come back and say we did it on the cheap, it didn't work out, we're sorry, but we saved a lot of money in salaries. We didn't pay what we should have been paying, it hasn't worked out, we didn't get the return, were not getting investment, were not adding employment, but we saved a lot of money because we cut it tight. I am not surprised you asked the question.)

2.) Senator Lynn asked about the Heartland BioVenture saying in the March 4, 2011 report they have listed their salaries and so forth and the bonuses that were awarded, listed on another sheet that they got earlier, showed that they received \$36K in bonuses. Can they explain why the bonuses do not appear in the March 4, 2011 report? And if those bonuses were indeed given, and what concerns her, not so much in what salaries are, as you know state employees normally don't get compensated at a high rate, but thinks what is hard to explain is the bonuses. She has asked for some response on how those were calculated and how they were given. That's question number one. The other question is, do any of the Heartland BioVenture staff live outside the state? (Mr. Thornton answered saying, the material we provided last time was through 2011. The material provided in the book, which is the most current, which is under Tab 1, page 2, is for 2010. Heartland BioVentures is a program that the Bioscience Authority rated. It is based upon successful models in other states. Its goal is to work with very early-stage bioscience companies and in some cases, literally just entrepreneurs that can create jobs, attract capital and take products to market. It is one the Board of Directors prioritized. But it is a new program, so the figures you see under Tab 1, page 2 reflect a very basic fact at that point, the KBA had literally just hired some of these staff and grew that staff over the months to the team it is now. The second part of your question relates to, are there people who live outside the State of Kansas and the answer is yes, one. His name is Dr. Terry Osborn, an individual with a great background as an entrepreneur and who has been able to attract early-stage venture. He lives here throughout the week.) To Ms. Katterhenry, she said she just wants to make sure she understands the bonus sheet they provided, could she explain. (The bonuses that you received last time, the first part show the bonus of \$170.5K relates to FY2010. And so far as bonuses for that particular staff, what were they were based on was a formula or percentage of profit. Mr. Thornton said, first of all, these are staff that are extremely capable individuals with MBA's and most with strong pharmaceutical backgrounds. The fact that they are inside the KBA, actively engaging in these early-stage companies actively helping them sharpen their commercialization pathways is really a testament to the KBA. As it relates directly to their bonuses, each of them deals with portfolios of companies and are broken down by individuals that have expertise in bioenergy, background in animal health, etc., so are sector specific. Within those sectors, they manage a portfolio of companies. So if they have been directly associated with that company, raising private capital, getting a strategic partnership, etc or some strategic exercise that fundamentally facilitates investment in the State of Kansas, formation of jobs or a recruitment of a potential strategic partner, that's the kind of outcomes we want to see from these guys.)

Senator Lynn said she respects all of their expertise and asked, do they sign some kind of disclosure in terms, because if they are out there and experts in their field, other people want them, right? (Yes.) So what kind of operational things do you have in place and do they work for anybody else, do they consult with anybody else? And is there a reason why you need to bonus them? Are you afraid they are going to be hired away or what is the justification and what do you have in place to protect us? (Mr. Thornton said his compensation philosophy is similar to the Board of Directors which is, for example, give someone a salary say of \$1.00 and you pay them a base of \$.80 and then if they hit a performance milestone in

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metrics, they actually move the needle and substantially affect economic development in our state, they can earn up to that dollar. With respect to non disclosures, we do them at the company's election. We ask the companies to not provide us material that they deem to be confidential. Extents where they need to better understand the material that is deemed to be confidential and in the interest of the relationship we will sign confidentiality or nondisclosure agreements, whatever we are talking about there. As it relates to outside consulting, doesn't happen.) Don Colbert receives around \$4K, right? (Ms. Katterhenry said he was a new employee. Mr. Thornton explained Mr. Colbert's position saying he joined as a shared employee between the Kansas Technology Enterprise Corporation or KTECH and the KBA. His specific role is to help early-stage companies pursue approximately \$2B in Federal technology development grants, with the largest program under that is called the Small Business Innovative Research Program or SBIR and went on to explain that grant program. When are bonuses usually paid? (Mr. Thornton said our fiscal year is tied to the states Fiscal Year. The KBA puts in place prior to the beginning of each fiscal year, an annual operating plan or an AOP. This plan takes a wide variety of KBA plans, but this is something the Board puts together, they set the budget, sets the level of compensation for him for a three year contract for approximately the first year of the contract. Performances are evaluated at the end of that fiscal year so that would be typically June, July, August.)

The Chair said regarding the bonuses, she just wanted to point out in addition to the audit, numbers on the wages are different from what was given to us in the last booklet, different from the piece of paper and what is in the book. (Jan Katterhenry said what we did for you last time is give you an annualized number for 2011. On the bonuses, the difference between this time and last time for 2010, when we gave you the bonus sheet last time, we took our current employees and said what was their bonus. The one person that is missing is Chad Bettes, because he is no longer with us. So if you wanted to reconcile the differences between the two, you would need to take Mr. Bettes' wages off the 2010 page and that would give you the total and the others is what I explained before.) And how are bonuses reported to the IRS? (It goes through our normal payroll process, goes through the W2.)

4.) Senator Holland has been serving on the KTECH Board and from his perspective, does not see anything unusual regarding Mr. Thornton's salary and bonuses. He did ask Governor Carlin to talk about some of the unique skills that Mr. Thornton brings to the table and how do you find that skill set out there and why we are paying a premium. (Probably more than anything is experience. We are not an operation so large that we can start folks down below and give them 5 to 10 years to really grow into capacity, they need to hit the ground running. When we hire somebody they have to have the capacity to deliver. Mr. Thornton had Washington, D.C. experiences and also in the State of Illinois, with a comparable entity doing similar work and being successful at it. It's his combination of experience, understanding how the private sector works and relates to government, its collaboration we are working on here, and that includes universities. It helps when someone understands those different cultures and entities and how they work, and be able to pull things together. Using the NBAF specifically, he understood instantly how to put a plan together to make that possible. He did not think they had anybody else. And for Kansas to win over Texas for the NBAF, it took someone who could get in for meetings in Washington, D.C. and present a plan.) His feeling on this compensation deal is if we go back to the basics as far as looking at the ROI of the KBA, that's what we need to evaluate that staff on. He suggests the Committee go back and look at a report done by GSP Consulting Corporation in the KBA's original four years in existence and referred them to page 22 where GSP lauded the KBA and feels we need marketing literature like this to reach out to potential business customers through the nation and should be doing some advertising in some of these publications. His second comment was found on page 13 regarding monitoring the staffing as activity increases. They quote a figure for one FTE of \$5M in active investment. When he looks at what KBA's committed funds are, as of today \$250M and a staff of around 21 people and consulting outside, you are keeping up with the parameter of that one FTE and could he hear comments on this? (Mr. Thornton said the report was done on behalf of Kansas Inc. and it also stated the KBA needed to do a better job of establishing what we were doing here in Kansas. As it relates to staffing, they think it is appropriate, based entirely on their annual operating plan. Regarding equivalent organizations, a sheet that was passed out earlier listing organizations that are similar to KBA.)

The Chair said she supported NBAF, voted for the bill, was excited about KBA, and it was a collaborative effort. On the other hand, you have a budget of about \$35M a year now and have purchased a building for \$12M. She asked how it is financed? (Ms. Katterhenry explained it was a construction loan, a 10-year note over 20 year amortization, and will reprice every three to five years based on our choice, tied to the note.) Do you expect to make the payments on that out of your allotment from the legislature? (Yes,

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we have forecast it out based in our current commitments.) Do you anticipate what the payment would cost? (I have it in my forecast, but I can't tell you right off the top of my head, but I can get it to you.) From the way I read your books, we have \$177M in committed funds in the future on a diet of \$35M. In this atmosphere where everybody is taking pay cuts, the money seems extremely excessive in this environment on salaries. We do have healthcare nonprofits in Kansas where they are giving out millions of dollars that were earned in assets from sales, and their salaries aren't nearly this high.

Regarding Ms. Lynch, she said she figures there would be conflict in testimony and that you would say she had been fired and she said she gave two weeks notice. She does testify in here that she was given personal receipts to be paid and that is a concern. The Chair feels this Committee has raised legitimate concerns about how money is being spent. We are excited about your success and we want it to be successful and continue to grow but there are some problems here that taxpayers see that are lavish.

The Chair called on Senator Masterson who said in looking at these job numbers, about 75% of them were in two companies, one being mainly Quintiles and see they are in 60 countries and employ 20K employees. How do we validate what we did with them to create that? (The report Senator Holland referenced actually recognized the KBA in two regards as it relates to outcomes. First, they actually have an outcomes policy. The Board of Directors, working with staff, has actually determined what were the outcomes we actually want to track and then what is the methodology we want to employ to actually track those jobs. We provided that to the Committee as it relates specifically to jobs though. It must be a new job and must be in the biosciences so that all the other jobs it might impact are not counted. They must be attributable directly to the KBA project investment. With respect to what is not included, it was referenced in questions we were asked to provide. There is no multiplier affect associated with that. We do not track indirect outcomes associated with those jobs. We have a similar policy for: the research funds that flow back to research universities, for venture policy investment, and for capital expenditures associated with the KBA's investments. As it relates to Quintiles, the KBA diversifies.) How do you go in and validate? Do they fill out the form and we just take their word for it? (I'm sorry, I missed your point. If there was a delta between what we have seen in the past and what we see year-to-year, we do audits. Ms. Katterhenry calls for those. They are not done by the Bioscience Authority. They are done by an external third party and come back to us. And we are auditing effectively, how are the funds used, and how were the outcomes associated with our direct project.) Do they actually get into Quintiles books then? (The outcomes associated, yes.)

The Chair asked the Committee to look at the scope statement from Post Audit on a forensic audit of the Bioscience Authority. A forensic audit is where you to in and look at the payment then look at the receipt that are attached to the payment. She says they will talk about the audit next week.

Adjournment

As it was going on 9:30 a.m., the Chair announced they stand adjourned.

The next meeting is scheduled for April 1, 2011.

2011

SENATE COMMERCE COMMITTEE GUEST LIST

DATE: Friday, March 4

NAME	REPRESENTING
Gary Micheel	Kansas Bioscience Authority
Tariq Abdullah	KBA
Jan Ketterhagen	KBA
Tom Thorata	KBA
John W. Carlin	KBA
Ray Smilor	KBA
Angela Krepes	KBA
Jim Oldabecken	KBA Printing & Imaging Association of Mid-America
Sean Tomb	DIVISION OF THE BUDGET
Chris Clarke	LPA
Tom Tunnell	KS ASSN OF ETHANOL PROCESSORS
Ken Secker	KS Bio
Lindsay Mumferson	KBA
LINDA BROWNING WEIS	REALTY EXECUTIVES WEIS REAL ESTATE
ERIC DANIELSON	TEANOR ARCHITECTS
Josh Bell	Self
Bill Brody	C.S.
Bob Weeks	None

Paje Routhier
Dale Doherty
VADE HAPPOOD

Hein Law Firm
City of Wichita
CAPITOL ADVANTAGE LLC

SENATE COMMERCE COMMITTEE GUEST LIST

DATE: _____

[illegible]

Thursday, October 19, 2006

Melissa Lynch
9115 Larsen Drive
Overland Park, Kansas
66214

Dear Melissa,

It is my pleasure to extend the following offer of employment to you on behalf of the Kansas Bioscience Authority (KBA).

Title: Executive Assistant to the President and CEO

Reporting Relationship: This position will report to the President and CEO of the KBA.

Responsibilities:

Executive Assistant (50% on average)

- Act as executive assistant to the President and CEO for scheduling and communications to staff, board of directors, and external groups and individuals. Maintain knowledge of KBA's activities to assist in policies, procedures, and administrative matters. Perform responsibilities to project a professional image for the organization and the office of the President and CEO.
- Establish and keep current office files for the President and CEO and safeguard confidentiality of such files.
- Handle and prioritize phone and mail communications directed to the President and CEO.
- Compose, transcribe, edit and/or word process/mail merge a wide variety of correspondence.
- Coordinate travel to meetings and conferences for President and CEO. Handle President and CEO's speaking schedule and invoice conferences for executive director's expenses and honoraria.
- Work with President and CEO to produce meeting packets for quarterly board of directors meetings, including advance notices to board members and meeting minutes, and for advisory board annual meeting.
- Coordinate events and group meetings hosted by KBA and President and CEO, involving travel, lodging, meals, and facilities.
- Work on a variety of special projects.
- Manage facilities issues, including location moves.

Office Manager (50% on average)

- Communicate HR policies and procedures to staff, including policies in the company handbook.
- Manage recruiting process to fill staffing needs including preparing job descriptions, writing and placing ads, and contacting sources for potential candidates.

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Attachment 1

- Conduct new employee orientations. Complete all necessary paperwork, review company handbook and explain company policies, benefit programs, etc.
- Assist employees with a variety of inquiries, including policy interpretation.
- Process employee vacation, sick, and leave of absence forms.
- Process salary changes due to merit increases, bonuses, promotions, department changes, or salary adjustments.
- Liaison with corporate human resources on a regular basis to keep up-to-date on policy and benefit changes, health plan open enrollment, and retirement plan enrollment.
- Liaison with payroll department for payroll issues.
- Maintain all employee personnel files, while maintaining confidentiality.
- Maintain resume files and coordinate responses to applicants in a timely manner.
- Supervise office assistants, interns, volunteers, and other staff as needed.

Base Salary: \$55,000 annually, paid in monthly installments and subject to deductions for taxes and other withholdings as required by law or the policies of the KBA.

Fringe Benefits:

- **Medical/Dental Plan:** You will be eligible for additional benefit of health care insurance coverage. Until such time that KBA has established such a health care insurance plan for its employees, KBA will reimburse you for the premium paid to continue your health care insurance coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (commonly known as "COBRA").
- **Other Benefits:** After one year of employment with KBA, you shall be eligible to participate in a retirement savings plan.
- **Vacation Leave:** As an employee with KBA you are eligible for two weeks paid vacation after three months of employment.

Start Date: November 6, 2006

Car/Phone/Travel Expenses: Normal and reasonable expenses will be reimbursed on a monthly basis per company policy.

Your employment with the KBA is at-will and either party can terminate the relationship at any time with or without cause and with or without notice.

You acknowledge that this offer letter, (along with the final form of any referenced documents) represents the entire agreement between you and the KBA and that no verbal or written agreements, promises or representations that are not specifically stated in this offer, are or will be binding upon the ITDA.

If you are in agreement with the above outline, please sign below. This offer is in effect for five business days.

Signatures:

Thomas V. Thornton, President and CEO

Date

I accept the offer as stated above.

Melissa Lynch

Date

March 3, 2011

To: Senator Susan Wagle and members of the committee

From: Melissa K Lynch

I was hired by Tom Thornton to work for the Kansas Bioscience Authority as his Executive Assistant in October 2006. At that time, with the exception of the unpaid Board of Directors and a contracted employee Janet Moser, there were no other employees. I started work in a totally empty office. There was no furniture, computer equipment, payroll administrator or phone system. After 16 months, I left the KBA due to my discomfort about what was going on, how things were being handled and the unethical actions of Tom Thornton or the waste of taxpayer money.

While on KBA time:

I paid all of Thornton's personal bills to include dealing with his landlord and lawn service

Negotiated and purchased a new Toyota Camry for his personal use and when the car allowance did not cover the full monthly payment, he got the board to increase his car allowance so that it would cover the payment.

Drove him to Topeka during a snowstorm to pick up his car that was left in a parking garage the night before

Was sent to his house to handle movers bringing his belongings from Chicago

Was sent to his house to meet a variety of vendors to include several window covering companies

Picked up his children's nanny at Joni Cobb's house and took her to the airport

Tom was frequently out of the office and unreachable. He would not answer his cell phone and neither Jan Katterhenry or I knew where he was.

One day he called and said that he was sick and staying home. Later that day we received insurance paperwork that required his signature. I went to his house to get the signatures. Shortly after I pulled into the driveway, he pulled up on his motorcycle. He had to supply his driver's license number for one of the documents. He then pulled out a new Kansas driver's license. I said that I thought he was still driving on his Illinois license and he told me that he had just gotten the new license that day (while he was home sick).

He told me that as part of his divorce settlement he had to carry a life insurance policy for \$1,000,000.00 with his children's mother as the beneficiary. The Board agreed to pay the premiums on this policy as well as let him take the policy with him when he leaves employment with the KBA.

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I frequently caught him in lies regarding where he was, what he was doing, who he was meeting with and why he wasn't in the office. On one occasion, he was supposed to be in Manhattan for a meeting at K-State. He called me and said he had overslept but was on his way. He was already going to be over an hour late for the meeting. I called Sue Peterson (President Wefald's office) to let her know. Tom had already called her and said that he was going to be late because he had been in the Emergency Room all night because one of his children had broken there arm. His children were in Chicago with their mother at the time.

While I was at the KBA, the agency paid my cell phone bill as well as Tom and Jan's.

Tom would try to submit mileage on his expenses but was repeatedly told by Jan Katterhenry that he couldn't have a car allowance and submit mileage. This made him angry.

Angela Kreps asked the KBA staff to have a party for Tom when the State (not Tom) was awarded the NBAF. The KBA paid for this party.

On several occasions I was given receipts that were not KBA related expenses to submit with his expense report. One in particular was a dinner for two. I knew that on that date he was supposed to be in Olathe, meeting with the city officials and school board member regarding their donation of land for the Olathe building. Jan Katterhenry told me that he had not gone to that meeting but had sent her in his place.

Several times each year, KBA board meetings were held out of town and at least once a year out of state. The staff and board were expected to attend these meetings at the expense of the KBA.

Thornton is paid \$50,000 per year to be on the board of Advanced Life Sciences which is a company that "is a biopharmaceutical company engaged in the discovery, development and commercialization of novel drugs in the therapeutic areas of infection, cancer and respiratory diseases" which seems like a conflict of interest to me.

Thornton did not like having Clay Blair on the Board of Directors. When it was time for Blair's reappointment, Senator Steve Morris reappointed Clay Blair. This made Thornton very angry. After some discussions with Senator Morris, he convinced Senator Morris to rescind this appointment. The final letter was sent by Senator Morris on a Saturday afternoon. I was asked to receive the letter on a personal fax machine and bring it into the office.

March 1, 2011

Senator Susan Wagle
Kansas State Capitol
Room 121-S
Topeka, KS 66212

Senator Wagle,

Below is text from the Kansas Bioscience Authority's website about how they have impacted Kansas' economy.

"Leading Kansas' Economic Recovery: Through June 2010, the realized outcomes of the KBA's investments grew to a cumulative impact of 1,195 new jobs, \$212.6 million in capital investment, \$86.6 million in new research funding, and \$48.3 million in equity investment. Including estimated wages, the return to the state's economy for each \$1 invested by the KBA jumped to \$9.41."

It should be noted that the Kansas Bioscience Authority does not base these statistics on any information other than a document called a Post Award Report. Supporting documentation is not required with this report; only information provided by award recipient is accepted. You'll notice there is a note at the bottom of the form simply indicating that the award recipient can "provide detail in separate narrative".

The length and complexity of the form should be noted and quality of information that is returned to the Kansas Bioscience Authority, which is in turn reported quite proudly on its website, could be based on whether or not the person completing the form was authorized to complete the form, whether or not the person was capable of accessing the information needed, or if he or she was having a good day and felt like filling in all of the blanks.

It is evident the claims by the Kansas Bioscience Authority are inflated and cannot be substantiated. The taxpayers of the state of Kansas should encourage your office to a swift audit of the Kansas Bioscience Authority.

Signed,

Concerned

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Kansas Bioscience Authority

Post-Award Reporting
Fiscal Year 6/30/2009

Company name: _____
Project name: _____
NAICS code: _____ Award date: _____
County location: _____ Award amount: \$ _____ Paid to date: \$ _____

Direct Outcomes	KBA Application Projection	Prior Year Cumulative Total	Actual 07/01/2008 to 06/30/2009	Cumulative Total to Date
Employment				
KBA funded project:				
1) Full-time Kansas jobs created during fiscal year				-
2) Full-time Kansas jobs retained				-
3) Total full-time Kansas wages				-
4) Part-time Kansas jobs created during fiscal year				-
5) Part-time Kansas jobs retained				-
6) Total part-time Kansas wages				-
Total Company:				
1) Total Company jobs *				-
2) Total wages for Company *				-
Financial				
1) Total revenue increase due to KBA funded project (annualized)				-
2) Third-party funding (venture capital, other) related to project **				-
a) Equity				-
b) Convertible				-
c) Grants				-
d) Other				-
3) Capital expenditures related to this project (do not include capital expenditures made with KBA funds) **				-
a) Land				-
b) Building				-
c) Equipment				-
d) Other				-
4) Partnership funds (not including KBA funds) **				-
5) Grant funds (not including KBA funds, and not listed above) **				-
Research				
1) Federal (SBIR, STTR, etc.), state, local, and collaborative opportunity funding acquired related to project (list each below) **				-
				-
Partnerships				
1) Number of strategic partners involved in project (list each below)				-
				-
Commercial and Business				
1) Number of patents applied for and granted relating to project **				-
a) Applied				-
b) Granted				-
2) Commercial products or services stemming from this project **				-
3) Income generated by commercializing this product or service				-
4) Number of new companies in Kansas created from this project **				-

* Includes jobs/wages related to KBA funded project

** Provide detail in separate narrative

Kansas Bioscience Authority
Post-Award Reporting

Narrative

- Status of Project:

- Milestones and Status of Milestones achievement:

- Upcoming Milestones and expected dates of payment requests:

- Third-party Funding Narrative (if applicable):

- Capital Expenditures Narrative (if applicable):

- Grant Funds Narrative (if applicable):

- Brief review of key claims and patent number for all patents applied for and granted related to this project (if applicable):

- Commercial Products or Services Narrative (if applicable):

- New Start-up Companies Narrative (if applicable):

Kansas Bioscience Authority
Post-Award Reporting

Definitions

Jobs created: full-time or part-time jobs created as a result of this project and KBA funding.

Jobs retained: full-time or part-time jobs retained as a result of this project and KBA funding.

Revenues: total revenue directly related to this project.

Capital Expenditures: capital expenditures directly related to this project.

Federal Funds: any federal funding acquired as a result of this project, or to be applied to this project.

Partnership Funds: funds received from any partners to be used in conjunction with this project, or garnered as a result of this project.

Grant Funds: grants from non-profit or government agencies other than KBA.

Strategic Partners: partners involved with this project.

Patents: patents applied for and received during this project.

Commercial Products: commercial products or services developed under the scope of this project.

Start-up Companies: other companies created as a result of this project.

DRAFT
SCOPE STATEMENT

Kansas Bioscience Authority: Reviewing the Appropriateness of Its Expenditures

The Kansas Bioscience Authority (the Authority) was created by the Kansas Economic Growth Act of 2004 (the Act) with the sole purpose of advancing Kansas' leadership in bioscience. The Authority is an independent State entity governed by an 11-person board of directors comprised of local and national industrial and academic leaders. Authority employees are not State employees.

The Act provides for \$581 million in funding over 15 years. The funds come from bioscience employee withholding taxes, which are collected by the Department of Revenue and transferred to the Authority. The \$581 million is designed to:

- build world-class research capacity;
- foster the formation and growth of bioscience startups;
- support expansion of the state's bioscience clusters; and
- facilitate industrial expansion and attraction.

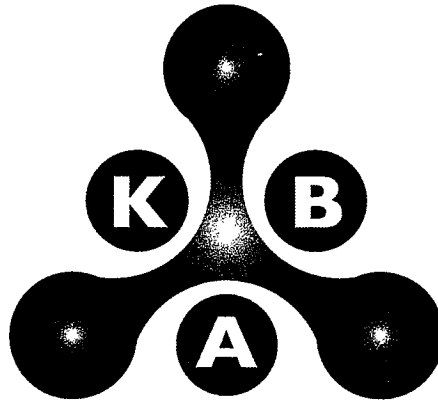
Recently, Legislators have expressed concerns relating to the operations of the Authority. Specifically, they questioned whether the salary and bonus amounts paid to employees, the recent purchase of a building, and travel and other entertainment expenses are reasonable and in line with the intent of the Act.

This performance audit answers the following question:

1. **What are the operational expenditures of the Authority, and are those expenditures in line with provisions of the Act?** To answer this question, we would conduct work similar to that of a forensic audit, which involves a careful review of financial records. We would review the Act for any limitations or requirements relating to expenditures of State moneys. We would review credit card statements and other banking information, financial records and supporting documentation for the Authority's expenditures (we would likely review the two most recent years). Specifically, we would focus on expenditures for salaries, bonuses and all other forms of compensation including vehicle, travel allowance, and insurance. In addition, we would review travel and out of town board meeting expenditures. We would determine if expenditures comply with the Act. We would also compare our expenditures with those as reported in any financial audits of the Authority. Finally, we would try to compare salary and bonus amounts for Authority officials to Kansas Technology Enterprise Corporation official salaries, or other comparable entities for reasonableness. We would conduct additional work in this area as needed.

Estimated resources: 3 staff 8-10 weeks, plus review

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KANSAS BIOSCIENCE
AUTHORITY

Senate Commerce Committee
Date: March 4, 2011
Attachment 2

Kansas Bioscience Authority
Senate Commerce Committee Information
March 4, 2011

1. Buck Consultants
 - a. Overview
 - b. 2010 Wages
2. KBA Building Construction
3. Banks
4. KBA Expense
 - a. CEO's Salaries and Benefits
 - b. Meeting and Travel
 - c. Dues and Subscriptions
 - d. Contractual and Consulting FY 2010
 - e. Budget for Contractual and Consulting
 - f. Legal
 - g. Marketing
 - h. Purpose of Hewitt Ennis Knupp
 - i. Number of Progress reports
5. Grantee Expense
6. Private Venture Capital
7. Direct Full Time Jobs

Executive Compensation Consulting

On July 10, 2009, the KBA Board of Directors directed outside legal counsel to issue an RFP to solicit responses/bids for an executive compensation consultant to ensure that the KBA was competitive in attracting top talent.

- What is the contact information for Buck Consultants?

*Buck Consultants, an ACS Company
1 N. Dearborn, Ste. 1400
Chicago, IL 60602
312-846-3000*

David H. Wax was the professional assigned to the KBA account.

- What amount was paid to Buck Consultants?

\$26,535

- What was the compensation philosophy employed in determining executive compensation?

- 1. Compensation should be sufficient to attract and retain qualified talent while maintaining levels appropriate for a quasi-governmental entity.*
- 2. Combination of salary, cash incentive and benefits should be competitive for similar positions in comparable organizations.*
- 3. Compensation package should include incentive pay tied to success in achieving KBA's goals and objectives.*
- 4. KBA CEO compensation should target the 75th percentile range of CEO compensation of comparable organizations.*

- What comparison data was utilized in determining executive compensation?

A peer group was developed that represented a blend of 17 not-for-profit organizations that best reflected the mission and size of the KBA, work in similar industries to the KBA and representative of the labor markets in which the KBA competes.

- How does Tom Thornton's compensation compare to others in similarly situated positions?

Mr. Thornton's total remuneration under the contract dated July 1, 2010 is approximately at the 75th percentile of the comparison group as of July 1, 2010.

FY 2010 Wages and Benefits

FY 2010

Kansas Bioscience Authority FY 2010 Wages and Benefits by Employee:

Kansas Bioscience Authority FY 2010 Wages and Benefits by Employee:		Wages	Bonus	Benefits	
Name	Title			Insurance	Retirement
Operational Staff:					
Bettes, Chad	Director of Marketing and Communications	\$ 111,874	\$ 16,800	\$ 4,153	\$ 9,977
Cummings, Mary	Marketing Communications Specialist	57,808	750	1,612	4,685
Katterhenry, Janice	CFO and COO	160,000	24,000	11,191	12,800
LoScalzo, Marsh	Executive Assistant	63,000	-	7,769	5,040
Micheel, Gary	Facilities Project Manager	108,063	6,000	12,704	9,485
Montes, Katie	Executive Assistant	27,128	2,000	3,410	-
Ruf, Nancy	Contract Administrator	71,875	-	8,417	-
Saale, Ruth	Director of Accounting and Financial Reporting	90,250	5,000	6,649	7,900
Taylor, Ashley	Executive Assistant	11,282	-	1,564	903
Thornton, Lindsay	Director of Special Projects	101,875	5,000	5,918	5,883
Thornton, Thomas	President and CEO	250,000	100,000	12,634	20,160
Vranicar, David	President, Heartland BioVentures	157,596	24,750	749	-
White, Ryan	Outcomes and Database Analyst	56,616	3,000	8,175	-
Operational Staff subtotal		1,267,368	187,300	84,944	76,833
Cancer Project Operations Staff:					
Kemp, Bradley	Project Director, Cancer Fighting Cures	109,324	-	5,274	-
Heartland BioVentures Staff:					
Colbert, Donald	Federal Research Funding Specialist	3,702	-	-	-
Harrington, Keith	Director of Commercialization, Heartland BioVentures	92,636	-	3,195	-
Kay, Lisa	Executive Assistant, Heartland BioVentures	31,974	-	289	-
Krol, Thomas	Director of Commercialization, Heartland BioVentures	75,000	-	4,150	-
Nourie, Cary	Director of Commercialization, Heartland BioVentures	1,731	-	-	-
Osborn, Terry	Director of Commercialization, Heartland BioVentures	1,731	-	-	-
Simpson, Tony	Bioenergy Director, Heartland BioVentures	108,558	-	6,003	-
Heartland BioVentures Staff subtotal		315,332	-	13,636	-
Total Kansas Bioscience Authority FY 2010 Wages and Benefits by Employee		\$ 1,692,023	\$ 187,300	\$ 103,854	\$ 76,833

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KBA Building Construction

- Who was bond attorney; underwriter/syndicator?

The bond attorney was Gilmore & Bell, PC.

There was no underwriter/syndicator. The bonds were purchased by UMB Bank, NA, in a private placement.

- Who is obligated to pay bonds if default?

An industrial revenue bond was issued through the City of Olathe. Pursuant to the terms of the agreement, the City assigns its interests under the agreement to the Bond Trustee for the benefit of the bondholder, UMB. If there is a default by KBA, the Bond Trustee, on behalf of UMB as the bondholder, may accelerate the principal amount outstanding on the bonds, and assume the rights of the City under the agreements.

What bank or other depository institutions does KBA use?

US Bank	Kansas Bioscience Authority Operating and Payroll checking account
UBS Financial Services Inc.	UBS Investments Account
UMB Bank, n.a.	Checking Account

Tom Thornton's Salary and Benefits

Calendar year basis
February 28, 2011

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual Salary or Wages	\$ 44,401	\$ 211,750	\$ 250,000	\$ 250,000	\$ 257,500	\$ 44,167
Bonuses	-	40,000	115,000	125,000	100,000	-
Benefits Provided with Values Listed						
Car Allowance	975	4,800	7,500	7,500	7,500	1,250
Health Insurance or subsidy	1,965	16,831	10,567	11,685	11,426	2,493
Life/AD&D/LTD/STD Insurance	-	1,720	3,270	3,340	2,818	162
Pension Contributions (8%)	-	8,317	20,000	20,000	20,600	3,533
Other, please describe:						
Relocation Expenses	29,224	20,776	-	-	-	-
	<u>\$ 76,565</u>	<u>\$ 304,193</u>	<u>\$ 406,337</u>	<u>\$ 417,525</u>	<u>\$ 399,844</u>	<u>\$ 51,604</u>

Note: CEO transportation costs are reflected under meeting and travel expenses.
Mr. Thornton does not receive an entertainment allowance.

FY 2010 Meeting and Travel Expenditures

From Revenues and Expenses Budget Comparison Report:

Meeting Expenditures	\$	11,470
Travel Expenditures		73,618
Total Meeting and Travel Expenditures	\$	85,088

Meeting and Travel Expenditures by Vendor:

<u>Vendor Name</u>	<u>Employee Name</u>	<u>Business Purpose</u>	<u>Amount</u>
Meeting Registrations:			
Acteva	Thornton	2009 Medical Innovaton Summit registration	\$ 799
Association for Corporate Growth	Katterhenry	Capital Markets Panel Breakfast Conf registration	40
Chamber of Commerce - Lawrence, KS	Holwick	Chamber Congressional Series	100
Greater KC Chamber of Commerce	Thornton	Federal Affairs Advocacy Mission/DC Fly-in	1,300
Greater KC Chamber of Commerce	KBA	Annual dinner	321
Greater KC Chamber of Commerce	Holwick	Kansas State Affairs Legislative Wrap-Up	35
Greater KC Chamber of Commerce	Thornton	Executive recognition program	32
Greater Topeka Chamber of Commerce	Thornton	I-70 Gateway to Success luncheon	25
International Institute for Sustainable Labs	Micheel	Conference registration	835
Kansas City Area Life Sciences Institute	KBA	Annual dinner	750
Kansas City Business Journal	KBA	Capstone Awards Luncheon	210
KTEC Pipeline	Thornton	Market Validation workshop	75
Midwest Research Institute	KBA	Annual dinner	650
NBIA	Micheel	Conference registration	1,572
State Science and Technology Institute	KBA	2010 registration	70
Meeting Registrations subtotal			6,814
Meeting Sponsorships:			
Kansas City Area Life Sciences Institute	KBA	Annual dinner sponsorship	1,000
Employee Development:			
Angel Capital Education Foundation	Vranicar	Workshop registration	50
Greater Kansas City PRSA	Bettes	Professional development conference	25
MO Society of Certified Public Accountants	Katterhenry	Continuing professional education	400
Employee Development subtotal			475
Airline:			
Continental Airlines - Key Biscayne, FL	Vranicar	MPM conference	309
Continental Airlines - baggage fee - Key Biscayne, FL	Vranicar	MPM conference	50
Midwest Airlines - San Francisco, CA	Katterhenry	PIPELINE meeting	437
Midwest Airlines - Washington, D.C.	Thornton	NBAF meeting	562
Midwest Airlines - Washington, D.C.	Bettes	NBAF meeting	562
Midwest Airlines - Washington, D.C.	Thornton	NBAF meeting	1,133
Midwest Airlines - Washington, D.C.	Thornton	NBAF meeting	612
Midwest Airlines - Washington, D.C.	Thornton	NBAF meeting	165
Midwest Airlines - Washington, D.C.	Thornton	NBAF meeting	11
Midwest Airlines - Washington, D.C.	Thornton	NBAF meeting	609
Midwest Airlines - Washington, D.C.	Thornton	NBAF meeting	269
Midwest Airlines, San Francisco, CA	Thornton	Burrill and Company board meeting	518
Midwest Airlines - Washington, D.C.	Thornton	B&D Consulting meeting	997

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FY 2010 Meeting and Travel Expenditures

<u>Vendor Name</u>	<u>Employee Name</u>	<u>Business Purpose</u>	<u>Amount</u>
Midwest Airlines - Washington, D.C.	Holwick	NBAF meeting	424
Midwest Airlines - Washington, D.C.	various	Washington, DC board meeting	4,244
Midwest Airlines - baggage fee - Washington, D.C.	LoScalzo	Washington, D.C board meeting	20
Midwest Airlines - baggage fee - Washington, D.C.	Cummings	Washington, D.C outreach	80
Midwest Airlines - baggage fee - Chicago, IL	Katterhenry	BIO 2010 Conference	40
Southwest Airlines - Oklahoma City, OK	Thornton	NASVF annual conference - OK City	167
Southwest Airlines - Oklahoma City, OK	Vranicar	NASVF conference	318
Southwest Airlines - Austin, TX	Vranicar	UT Tech meeting	650
Southwest Airlines - Indianapolis, IN	Vranicar	Midpoint meeting	100
Southwest Airlines - Baltimore, MD	Thornton	ATIP meeting	379
Southwest Airlines - Austin, TX	Thornton	Global Moot Corp Finals judge - Austin, TX	319
Southwest Airlines - Washington, D.C.	Thornton	Flight change fee	107
Southwest Airlines - Chicago, IL	Thornton	BIO 2010 Conference	140
Southwest Airlines - Chicago, IL	Vranicar	BIO 2010 Conference	150
Southwest Airlines - Chicago, IL	Katterhenry	BIO 2010 Conference	285
Southwest Airlines - Chicago, IL	Bettes	BIO 2010 Conference	285
Southwest Airlines - Albuquerque, NM	Micheel	LABS21 conference	249
Southwest Airlines - Orlando, FL	Micheel	NBIA conference	215
Southwest Airlines	KBA	Scott Kimball job interview costs	691
United Airlines - Israel	Osborn	US Senator Brownback trade mission	4,772
US Airways - Washington, DC	Bettes	NBAF meeting	562
US Airways - Washington, DC	Thornton	NBAF meeting	562
US Airways - Washington, DC	Thornton	NBAF meeting	459
US Airways - Washington, DC	Thornton	NBAF meeting	162
US Airways - Washington, DC	Kemp	Meeting	445
US Airways - Indianapolis, IN	Vranicar	Midpoint meeting	132
US Airways	KBA	SBIR job candidate travel	1,023
US Airways - baggage fee - Washington, DC	Thornton	NBAF meeting	15
Airline subtotal			23,228

Hotel:

AT&T Conference Center Hotel - Austin, TX	Vranicar	Investor Briefing	532
Buena Vista Palace Hotel - Orlando, FL	Micheel	NBIA conference	1,119
Capitol Hilton - Washington, DC	Thornton	NBAF meeting	275
Capitol Plaza Hotel - Topeka	Bettes	Topeka board meeting	101
Capitol Plaza Hotel - Topeka	Cummings	Topeka board meeting	101
Capitol Plaza Hotel - Topeka	Holwick	Topeka board meeting	101
Capitol Plaza Hotel - Topeka	Katterhenry	Topeka board meeting	101
Capitol Plaza Hotel - Topeka	LoScalzo	Topeka board meeting	101
Capitol Plaza Hotel - Topeka	Thornton	Topeka board meeting	101
Capitol Plaza Hotel - Topeka	Vranicar	Topeka board meeting	101
Capitol Plaza Hotel - Topeka	KBA - L&G	Topeka board meeting	101
Courtyard Marriott - Indianapolis	Vranicar	Cultivian (Midpoint) Venture Capital meeting	133
Courtyard Marriott - Rockville, MD	Osborn	NIH - NCGC & KU meeting	164
Courtyard Marriott - Rockville, MD	Osborn	US Senator Brownback trade mission	164
Courtyard Marriott - Wichita, KS	Vranicar	KTEC Pipeline and ICM meeting	158
Courtyard Marriott - Wichita, KS	Katterhenry	Pipeline and CIBOR meetings	142
Expedia - Rockville, MD	Vranicar	NIH - NCGC & KU meeting - lodging	107
Fairfield Inn - Manhattan, KS	Bettes	DHS/USDA/KSU meeting	131
Fairfield Inn - Manhattan, KS	Thornton	NBAF/BRI meeting	149

FY 2010 Meeting and Travel Expenses

<u>Vendor Name</u>	<u>Employee Name</u>	<u>Business Purpose</u>	<u>Amount</u>
Fairfield Inn - Manhattan, KS	Thornton	Megastarter press conference	93
Fairfield Inn - Manhattan, KS	Thornton	KSU President Kirk Schulz meeting	88
Fairfield Inn - Manhattan, KS	Thornton	Eminent Scholar and legislative meetings	129
Fairfield Inn - Manhattan, KS	Holwick	Eminent Scholar and legislative meetings	129
Holiday Inn - Manhattan, KS	Thornton	NBAF meeting	136
Holiday Inn - Emporia, KS	Holwick	Stakeholder meeting - lodging	124
Hyatt Hotel - Washington, DC	Thornton	NBAF meeting	451
Hyatt Hotel - Washington, DC	Bettes	NBAF meeting	513
Mamilla Hotel - Jerusalem, Israel	Osborn	US Senator Brownback trade mission	305
Marriott Hotel - Washington, DC	Thornton	NBAF meeting	564
Marriott Hotel - Wichita, KS	Vranicar	Great Plains Capital Conference	117
Marriott Hotel - Wichita, KS	Katterhenry	Great Plains Capital Conference	117
Marriott Hotel - Wichita, KS	Thornton	Great Plains Capital Conference	117
Phoenix Park Hotel - Washington, DC	KBA	Washington, DC board meeting	3,284
Ramada Inn - Topeka, KS	Harrington	KBA board meeting - lodging	175
Ritz-Carlton - Key Biscayne, FL	Vranicar	MPM Conference	1,014
The Carlton Tel Aviv, Israel	Osborn	US Senator Brownback trade mission	536
The Eldridge - Lawrence, KS	LoScalzo	Lawrence board meeting - lodging	135
The Hyatt Regency - Wichita, KS	Katterhenry	KTEC Pipeline	111
The Hyatt Regency - Wichita, KS	Katterhenry	CIBOR meeting	144
The Skirvin Hilton - Oklahoma City, OK	Vranicar	NASVF Conference	369
University Club of Chicago Hotel, Chicago, IL	Thornton	BIO 2010 International	1,400
University Club of Chicago Hotel, Chicago, IL	Vranicar	BIO 2010 International	446
University Club of Chicago Hotel, Chicago, IL	Katterhenry	BIO 2010 International	669
University Club of Chicago Hotel, Chicago, IL	KBA	Investment Committee meeting room rental	500
W Hotel - Washington, D.C.	Thornton	NBAF meeting	692
Holiday Inn - College Park, MD	Thornton	ATIP meeting - lodging	132
Hotel subtotal			16,371
Restaurant:			
1924 Main - Kansas City, MO	Thornton	Orbis Bioscience meeting	65
715 Restaurant - Lawrence KS	Vranicar	IAMI Board members dinner	33
Art and Soul Restaurant - Washington, DC	Thornton	KBA Board meeting dinner in Washington, DC	236
AT&T Conference Center - Austin, TX	Vranicar	Investor Briefing - Austin, TX	34
Berghoff Group Restaurant - Chicago, IL	Bettes	BIO 2010 International conference	29
Bistro Bis - Washington, DC	Cummings	Washington DC outreach	40
Blue Koi	Thornton	Biotech Pipeline meeting	68
Blue Duck Tavern - Washington, DC	Bettes	NBAF meeting in Washington, DC	41
Bosselmans-Grandma Max's Restaurant - Beloit, KS	Micheel	real estate inspection in Beloit, KS	25
Bravo Cucina Italiana	Vranicar	Neuterra Capital meeting with J Tasset	55
Bread Basket Café	Holwick	MOSIRA hearing	8
Capital Grille - Kansas City, MO	Thornton	KABB candidate interview lunch	61
Capital Grille - Kansas City, MO	Thornton	KBA staff holiday lunch	696
Carlos O'Kelly's	Micheel	KSU ARF Facility meeting	26
Catch Thirty Five - Chicago, IL	Thornton	BIO 2010 International conference	488
Celtic Fox Irish Pub	Vranicar	Topeka, KS Board meeting	25
Chartwell's	Thornton	NBAF Research meeting	19
Chili's Restaurant	Vranicar	MPM Conference	25
China Grill Restaurant - Chicago, IL	Thornton	BIO - mtg U of IL - NBAF - tech transfer partnership	1,009
Classic Cup Café	Vranicar	TVAX BioMedical meeting	46

FY 2010 Meeting and Travel Expenditures

<u>Vendor Name</u>	<u>Employee Name</u>	<u>Business Purpose</u>	<u>Amount</u>
Classic Cup Café	Thornton	KABB candidate interview	34
Courtyard Marriott	Vranicar	KSU NISTAC IP	37
Courtyard Marriott	Vranicar	KTEC Pipeline & ICM	13
Courtyard Marriott	Osborn	NIH-NCGC & KU	1
Courtyard Marriott	Thornton	KSU President Schulz meeting	11
Courtyard Wichita	Katterhenry	CIBOR meeting	12
Coyote Grill	Bettes	Convention Center visit & planning	36
d'Bronx Restaurant	Vranicar	MPM Capital meeting	41
Dulfin Yam 2000 Restaurant Jerusalem	Osborn	US Senator Brownback trade mission	26
Eldridge Hotel	Bettes	Lawrence event site visit	52
Falling Waters Grill	Bettes	Topeka, KS Board meeting	11
First Watch	Holwick	Kansas Bio meeting with Angela Kreps	16
Fogo de Chao - Kansas City, MO	Thornton	KBA staff dinner	501
Fokacha Restaurant Jerusalem	Osborn	US Senator Brownback trade mission	19
Front Grill Breakfast - Chicago	Thornton	Animal Health Corridor meeting	98
Front Grill Breakfast - Chicago	Thornton	BIO 2010 International	22
Fulton's Crabhouse	Micheel	NBIA Conference	22
Hardee's	Holwick	Budget Debate	5
Hardee's	White	Topeka, KS Board meeting	8
Harry's	Thornton	KSU meeting	52
Hereford House - Overland Park, KS	Thornton	Overland Park, KS board meeting	113
High Side Restaurant	Osborn	NIH-NCGC & KU meeting	9
Hook Restaurant - Washington, DC	Thornton	NBAF meeting	299
Houlihan's	Holwick	Legislative meeting	31
Houlihan's	Thornton	Media outreach meeting - Bettes	30
Houlihan's	Vranicar	IGX milestone discussion	60
Houlihan's	Katterhenry	Planning meeting - Vranicar, Colbert	30
House of Blues Restaurant	Micheel	NBIA Conference	46
Houston's	Thornton	KU Cancer Center meeting	75
Hula Hut	Vranicar	Investor Briefing - Austin, TX	68
Hyatt Regency - Wichita, KS	Katterhenry	CIBOR	23
Illy Frankfurt Am Restaurant	Osborn	US Senator Brownback trade mission	9
Jerusalem Restaurant - Jerusalem	Osborn	US Senator Brownback trade mission	102
Jin Shan Buffett	Vranicar	Pinnacle meeting	16
Johnny's Tavern	Bettes	Committee planning meeting - K Wilson	12
Johnny's Tavern	Bettes	Legislative meeting	13
Johnny's Tavern	Vranicar	SBIR-D Colbert	23
Johnny's Tavern	Micheel	Campus interface mtg at KOIC	41
Johnny's Tavern	Micheel	Security vendor meeting	14
Johnny's Tavern	Montes	Bank meeting	35
Johnny's Tavern	Katterhenry	Staff introductory lunch for new employees	127
Johnny's Tavern	Thornton	Working lunch	10
Johnny's Tavern	Thornton	Working lunch	26
Johnny's Tavern	Thornton	KBA staff lunch	55
Kafe Harova Hayeudi Jerusalem	Osborn	US Senator Brownback trade mission	19
Kona Jack's Restaurant	Vranicar	Cultivian(Mid-Point) Venture Capital	70
Kooks Sports Bar	Micheel	NBIA Conference	23
Lenexa Longbranch Steakhouse	Micheel	Kleinfelder proposal	8
Little Apple Brewing Company	Katterhenry	meeting with Gov. Carlin	24
Local Burger	Bettes	Lawrence, KS board meeting	12

FY 2010 Meeting and Travel Expenses

<u>Vendor Name</u>	<u>Employee Name</u>	<u>Business Purpose</u>	<u>Amount</u>
Local Burger	Cummings	Lawrence Stakeholder event	9
Longhorn Steakhouse	Katterhenry	HBV staff meeting	73
Macaroni Grill	Osborn	US Senator Brownback trade mission	16
Marriott - KCI Airport	Thornton	KABB candidate interview lunch	32
Marriott - KCI Airport	Thornton	KABB candidate interview lunch	44
McCormick Place Concessions 1	Vranicar	Bio 2010 International Convention	18
McCormick Place Restaurant	Bettes	Bio 2010 International Convention	14
McCormick Place Starbucks	Vranicar	Bio 2010 International Convention	3
McDonalds	Bettes	DHS NBAF stakeholder event	3
McDonalds	Bettes	Topeka, KS Board meeting	3
McDonalds	Vranicar	Great Plains Capital Conference	5
McDonalds	Osborn	US Senator Brownback Israel trip	5
Mickey Mantle's Steakhouse	Vranicar	NASVF Conference	94
Miller's Pub & Restaurant	Vranicar	Bio 2010 International Convention	25
Mimi's Café	Holwick	Legislative meeting	34
Mimi's Café	Katterhenry	HBV candidate interview	22
Mitchell's Fish Market Restaurant	Vranicar	Cultivian(Mid-Point) Venture Capital meeting	96
Mr. Goodcents	Montes	SharePoint Meeting	27
Mr. Goodcents	Vranicar	Investment Committee meeting	57
Mr. Goodcents	Micheel	Venture Accelerator meeting - KBA staff	97
Mr. Goodcents	White	Biz-Trakker training meeting	118
New City Restaurant	Cummings	Topeka, KS Board meeting	26
Old Chicago Restaurant	Bettes	DHS/USDA/KSU meeting	10
Old Ebbitt Grill	Thornton	USDA meeting	51
On The Border Restaurant	Holwick	KU meeting	21
Panda Express	Osborn	NIH-NCGC & KU meeting	9
Panera Bread	Vranicar	HBV team meeting	31
Panera Bread	Micheel	BuildingWorks proposal	6
Panera Bread	Holwick	Appropriations Committee	9
Panera Bread	Holwick	Appropriations meeting Topeka, KS	9
Panera Bread	Holwick	Budget Debate	9
Panera Bread	Holwick	Eco Devo Committee meeting	9
Panera Bread	Holwick	KTEC Special meeting	9
Panera Bread	Holwick	Tax and Ag/Nat Budget meeting	9
Panera Bread	Holwick	Topeka Rescission bill	10
Panera Bread	Cummings	Marcomm meeting	8
Panera Bread	Krol	HPI meeting in Manhattan	35
Paulo and Bills Restaurant - Shawnee, KS	Vranicar	SBIR Candidate meeting	85
Paulo and Bills Restaurant - Shawnee, KS	Vranicar	Triathlon Medical Ventures meeting	152
Paulo and Bills Restaurant - Shawnee, KS	Katterhenry	AGH audit meeting	101
Paulo and Bills Restaurant - Shawnee, KS	Katterhenry	Admin Assistant Appreciation lunch	67
Perks Coffee	Katterhenry	CIBOR meeting	4
Pizanos Restaurant	Bettes	BIO 2010 International	15
Pizza Hut	Katterhenry	KBA staff lunch	58
President's Bar University Club - Chicago	Thornton	NBAF reception	109
Ritz-Carlton Key Biscayne	Vranicar	MPM Conference	5
Ritz-Carlton -Washington, DC	Thornton	NBAF team dinner	481
Rosati's Pizza	Vranicar	HBV team meeting	94
Royal Thai Cuisine	Thornton	meeting with Gov. Carlin	31
Sabor Latin Bar - Wichita, KS	Thornton	2010 KTEC Pipeline dinner	261

FY 2010 Meeting and Travel Expenses

<u>Vendor Name</u>	<u>Employee Name</u>	<u>Business Purpose</u>	<u>Amount</u>
Salty Iguana	Thornton	meeting with David Franz	16
Schlotzsky's	Vranicar	NASVF Conference	9
Sheraton Hotel	Bettes	NBAF meeting	33
Sheraton Overland Park	Nourie	SSTI dinner	52
Shor - A Chicago Grill	Vranicar	Bio 2010 International Convention	166
Smoothie King	Vranicar	MPM Conference	4
South Congress Café	Vranicar	Investor Briefing - Austin, TX	28
Sunset Grill	Bettes	Blue Valley Schools meeting	20
Tel Aviv Restaurant	Osborn	US Senator Brownback trade mission	41
Tel Aviv Resturant	Osborn	US Senator Brownback trade mission	199
The Bristol Restaurant	Vranicar	KU-Bio Center-Director candidate meeting	196
The Bristol Restaurant	Vranicar	Neuterra Capital meeting	86
The Celtic Fox	Vranicar	Bioscience Caucus mtg	12
The Classic Bean	Holwick	Budget Debate	20
The Dubliner Restaurant	Vranicar	Cultivian(Mid-Point) Venture Capital	13
The Dubliner Restaurant	LoScalzo	Washington, DC board meeting	50
Tuptim Thai	Holwick	Budget Debate	10
University Club of Chicago	Vranicar	Bio 2010 International Convention	19
University Club of Chicago	Katterhenry	Hill's Pet Nutrition meeting at Bio 2010	42
Uptown Bistro	Katterhenry	Pipeline - lunch	12
Uptown Bistro	Vranicar	CIBOR meeting	12
Watercress Restaurant	Micheel	NBIA Conference	16
Wendy's	Cummings	Wichita Stakeholders event	7
Yolk Restaurant	Bettes	BIO 2010 International	29
Holiday Inn - Baltimore	Thornton	ATIP meeting - lunch	24
Restaurant subtotal			9,102
Ground Transportation:			
CEO Monthly car allowance	Thornton	Net of personal use adjustment	5,891
CEO transportation	Thornton	Gasoline and maintenance	4,597
Various Taxi and Rental Car	various	Various out-of-town meetings	1,933
KS Turnpike Authority & KC Airport Parking	various	Kansas Turnpike fees and parking fees	2,205
Staff Mileage Reimbursement	various	Accountable mileage reimbursed at IRS rate	13,486
Subtotal			28,113
Other miscellaneous			(14)
Total Meeting and Travel Expenditures			\$ 85,088

Dues and Subscriptions - FY 2010 and FY 2011

<u>Vendor Name</u>	<u>description</u>	<u>FY 2010</u>	<u>Year-to-Date Jan 31, 2011</u>
Agricultural Business Council of KC	KBA membership	\$ 625	\$ -
AICPA	Katterhenry annual membership	595	595
Barnes & Noble	Harvard Business Review purchase	16	-
Financial Executives International	Katterhenry membership and subscription	1,004	-
Greater KC Chamber of Commerce	KBA annual membership dues	525	500
Hawver News Company	KBA annual subscription	280	280
Kansas City Business Journal	KBA annual subscription	266	86
Kansas Liberty	Bettes annual subscription	100	-
Kansas Society of CPAs	Katterhenry annual membership	145	-
KansasBIO	KBA annual membership dues	5,000	5,000
KC Chamber of Commerce	L Thornton member registration	12	-
Lawrence Journal World	KBA annual subscription	235	235
Manhattan Mercury	Bettes annual subscription	289	-
NBIA	KBA annual membership dues	425	-
Nelson Gallery Foundation	Business Council Membership	5,500	-
PR Newswire	KBA subscription to press release service	5,325	-
Public Relations Society of America	Bettes annual membership dues	-	285
State Science and Technology Institute	KBA annual membership dues	5,000	5,000
Strategic Communications of Kansas	2010 eNews subscription	250	-
Thinking Bigger Business Media, Inc	KC Small Business Magazine subscription	-	25
Wichita Business Journal	KBA annual subscription	-	101
Total Memberships, Dues and Subscriptions Expense		\$ 25,592	\$ 12,107

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FY 2010 Contractual and Consulting Services

<u>Vendor Name</u>	<u>Business Purpose</u>	<u>FY 2010</u>
Allen, Gibbs & Houlik, LC	Annual financial audit and quarterly reviews	\$ 25,688
Anthem Publishing, Inc.	KC Business Magazine full-page ad	1,500
Blue Ocean Consulting Inc.	Website hosting/updating services	5,255
Bret Healy	Bioenergy consulting	21,314
Buck Consultants	Compensation review	26,535
CPI Qualified Plan Consultants	Retirement plan administration	4,981
Cummings St. Thomas, Inc.	Employee recruitment fee	12,000
Dickstein Shapiro	Bioenergy consulting	4,937
Docking Institute of Public Affairs	Kansas Bioscience Index Report	5,205
Group C Media Inc.	Advertising - Business Facilities Magazine	16,500
Hanson Consulting, LLC	Federal grant writing services	2,610
Hewitt Ennis Knupp	Financial advisory & Back office support	118,625
Ingram's	Advertising	3,094
Journal Communications Inc.	Advertising - KS Economic Development Guide	5,595
Kansas Bioscience Magazine	Advertising	2,543
Kansas City Business Journal	Advertising	6,050
Kathy Mayhew	Financial services contractor	9,408
Katie Breit Photography	Staff photos for website	950
Kay Office Management	Administrative support services	5,792
Kent Wilson Design	Business Facilities ad/Federal Priorities report	925
Manpower Inc.	Administrative support services	918
Midwest Research Institute	AGCO DOE Project support	16,643
Mize, Houser & Company, PC	Payroll and accounting services	19,924
Oak Ridge Associated Universities	Peer review facilitation services	53,341
Schlagel and Associates	Park marketing/stormwater permit, project map	1,975
University of Missouri - KC Source Link	Biz-Trakker customization programming	1,700
Other miscellaneous	Prior year adjustment, background checks	(121)
Total Contractual and Consulting Services		\$ 373,886

Contractual and Consulting Budget FY 2011

Contractual and Consulting Services :

FY 2011

<u>Vendor Name</u>	<u>Nature of Services</u>	<u>Professional Assigned</u>	<u>Budget</u>
Hewitt EnnisKnupp	Financial advisor	Armand Yambao	\$ 120,000
Hewitt EnnisKnupp	Venture capital fund back office support	Christopher Brandely	75,000
Oak Ridge Associated Univ	Peer review facilitation services	Jodi Crisp	80,000
Kathy Mayhew	Contract services - grants and financial	Kathy Mayhew	45,000
ML Weekes & Company	Center of Innovation in-kind contribution audit svcs	Alex Weekes	40,000
Allen, Gibbs & Houlik	Financial audit and advisory services	Shelly Hammond	30,000
Mize, Houser & Company	Payroll processing/accounting /procedures audits	Ken Hite	30,000
Long Performance Advisors	Incubator operating policy/procedure development	Mark Long	15,000
KC Sourcelink	Grant management software customization	Jeremy Hegle	12,000
Docking Institute	Bioscience index research and report preparation	Dr. Jian Sun	6,000
CPI Qualified Plan Consult	Retirement plan administration	Kayla Weese	6,000
Blue Ocean Consulting	Website hosting and maintenance	Scott Woodward	4,800
Kent Wilson Design	Graphic design of invitations/signage/etc.	Kent Wilson	1,200
Katie Breit Photography	Photography services	Katie Breit	1,200
To be determined	Consulting need for diligence and/or support svcs	To be determined	25,000
To be determined	Media relations	To be determined	20,000
Total Contractual and Consulting Services Budget			<u>\$ 511,200</u>

Contractual and Consulting - federal grants:

MGP Ingredients, Inc.	SBA federal grant - bioplastics research	Dr. Sukh Bassi	\$ 357,242
MGP Ingredients, Inc.	USDA federal grant - bioplastics research	Dr. Sukh Bassi	273,170
Total Contractual and Consulting - federal grants Budget			<u>\$ 630,412</u>

Legal Services - FY 2010 and FY 2011

<u>Vendor Name</u>	<u>Professional Assigned</u>	<u>FY 2010</u>	<u>Year-to-Date January 31, 2011</u>
K&L Gates	Jude Sullivan	42,257	11,482
Lathrop & Gage	Catherine Logan	187,718	56,868
Total Legal Services Expense		229,975	68,350

FY 2010 Marketing Expenses

<u>Vendor Name</u>	<u>Business Purpose</u>	<u>FY 2010</u>
Advertising:		
Group C Media Inc.	Advertising - Business Facilities Magazine	\$ 8,250
Kansas City Business Journal	Advertising - 1/2 page ad	6,050
	Advertising subtotal	14,300
Sponsorships:		
Biotechnology Industry Organization	BIO 2010 Conference floor space	34,200
Freeman	BIO 2010 conference exhibit booth	6,476
Corporate Magic, Ltd.	BIO 2010 conference entertainment	6,100
Exhibit Associates	BIO 2010 conference costs	3,224
Midwestern Legislative Conference	Conference sponsorship	5,000
Great Plains Capital Conference	Conference sponsorship	5,000
Kansas City Area Development Council	Animal Health Corridor Homecoming	5,000
Kansas City Area Development Council	Animal Health Investment Forum	2,500
KTEC Pipeline	Innovator of the Year sponsorship	3,600
Greater Manhattan Community Foundation	Sponsorship	1,000
International Relations Council	2010 IRC Awards banquet	1,000
	Sponsorships subtotal	73,100
Events:		
Overland Park Convention Center	Overland Park stakeholder reception	4,500
Wichita Technology Corporation	Wichita stakeholder event	1,200
Catering for You	Hutchinson stakeholder event	787
Kansas Cosmosphere	Hutchinson stakeholder event	321
Emporia State University	Emporia stakeholder event	1,242
Eldridge Hotel	Lawrence stakeholder reception	2,841
Capitol Plaza Hotel	Topeka stakeholder reception	4,920
Sir Speedy	Topeka stakeholder reception	1,166
Phoenix Park Hotel	legislative reception in Washington, D.C.	4,725
Liaison Capitol Hill Hotel	legislative breakfast in Washington, D.C.	2,448
Hilton Garden Inn	Kansas City, KS stakeholder event	2,781
Executive Limousines	Legislative tour - transportation	2,445
Courtyard by Marriott	Legislative tour - lodging	1,151
Remel Inc.	Legislative tour - meals	894
Hereford House	Legislative tour - meals	667
Chartwells	Legislative tour - meals	519
Lindsay Holwick	Legislative tour	208
All Seasons Rentals	Venture Accelerator groundbreaking	1,630
Linzcott Images	Venture Accelerator groundbreaking	1,185
Digital Design	Venture Accelerator groundbreaking	284
	Events subtotal	35,912
Progress Report:		
Annual Reports, Inc.	Progress report design/preparation fees (\$5,800 relates to FY 2008 report)	41,436
Graphic Design:		
Kent Wilson Design	Graphic design services	8,525
Collateral Materials:		

FY 2010 Marketing Expenses

Linzcott Images	Promotional items for BIO conference	4,038
Sir Speedy	Collateral material/promotional item printing	964
	Collateral Materials subtotal	5,002
Website Maintenance:		
Blue Ocean Consulting, Inc.	Website maintenance and enhancement	10,080
Other:		
Cision	Database subscription	3,020
Sir Speedy	Printing of banner/signs/other misc	1,643
Display Works	Banner stand skins/lights/case	803
Constant Contact	Contact database subscription	762
Katie Breit Photography	Staff and event photos	250
Linzcott Images	KBA staff name plates	209
Miscellaneous supplies and expenses	Photo printing/framing, miscellaneous supplies	466
Fleishman & Hillard	Refund of advertising retainer paid in prior year	(10,570)
	Other subtotal	(3,416)
Total Marketing		<u>\$ 184,939</u>

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Purpose and expense of Hewitt Ennis Knupp – Financial Advisor Venture Fund Support?

The Kansas Bioscience Authority has two separate contracts with Hewitt Ennis Knupp. The first contract retains Ennis Knupp to assist the KBA directors and staff regarding the investment approach that fits KBA's goals, to recommend possible changes and review the investment policy, review investment managers and suggest hiring of new managers if needed, provide analysis on the options available to optimize the use of KBA's funds, provide quarterly performance report of KBA's total fund performance. In addition they are available to consult and report of the KBA staff and board as requested.

This first contract was entered into October 1, 2008 after an issuance of an RFP in June 2008 and then review of responses and interview. The executive committee approved entering into this contract in September 2008.

The second contract is to provide back-office support services including monitoring and reporting for up to 8 venture funds. The services include:

- Presenting comprehensive portfolio reporting for each fund*
- Reviewing funding capital calls and general partner consents or waivers*
- Provide a monthly report regarding capital drawn and returned for each fund*
- Provide an annual report reflecting investment activity, transactions, returns and market values for the funds at fiscal year end*
- Provide data storage and document preservation services for the investment funds*
- Coordinate required actions with KBA and provide guidance and recommendations*
- Keep the KBA apprised of notable portfolio activities either through quarterly reporting or more frequent meetings as appropriate for the situation*
- Meet with each manager at least annually to review fund progress*

This second contract was entered into in April 2010 after the issuance of an RFP in January 2010. The responses were reviewed; the candidates were interviewed and reviewed with the KBA board of directors. The board approved moving forward with Ennis Knupp in March 2010. The retainer is based on the number of venture funds they are tracking.

The amounts paid are as follows:

FY 2010: \$118,625

FY 2011 at January 2011: \$ 76,037

2010 Progress Report – how many were printed?

2,500 progress reports have been printed.

Grantee Expenses

- What are individual salaries paid/received by grantee from KBA award?

The Kansas Bioscience Authority makes payments to the grantee based on the accomplishment of milestones; the KBA does not pay individual salaries.

- What are individual expenses paid/received by grantee from KBA award?

The Kansas Bioscience Authority makes payments to the grantee based on the accomplishment of milestones; the KBA does not pay individual expenses.

Private Venture Capital

- How much private venture capital has been actually directly invested in Kansas?

The information we are providing is based on the companies the KBA has invested. The equity or equity like capital (i.e. convertible notes) is \$55,755,142 since July 2007.

- How much private venture capital has been committed but not yet invested?

We do not have access to all capital committed but not yet invested. KBA obtains information from investees when cash is invested in the company; not necessarily when commitments are made.

How many direct, actual full time jobs have been created in Kansas? (exclude jobs estimated, predicted, or tied to the "economic multiplier" effect)

At January 31, 2011, the new jobs created as a result of KBA funds is 1,233. Based on the average wage that we have calculated from these jobs of \$66,548, the annual pay associated with these jobs is \$82,053,684.

It should be noted that the funds committed for investments approved and committed for an investee takes into consideration the mission of the KBA which is to:

- *Build world-class research capacity;*
- *Foster the formation and growth of bioscience startups;*
- *Support expansion of the state's bioscience clusters; and*
- *Facilitate industrial expansion and attraction*

The KBA leverages its funds to attract additional federal and private-sector support that could boost the total investment in bioscience in the state. To that end, we consider not only jobs but the capital expenditures that are made, the research dollars brought in and the additional equity brought into the state as a result of a KBA investment.

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Less 2006 Funds Released:

Less 2007 Funds Released:

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KANSAS BIOSCIENCE AUTHORITY
OUTCOMES REPORT

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		Uncommitted	Released											
OncImmune Research Vouchers	7/26/2010	20,272	-	-	-	-	-	-	-	-	-	-	R & D Voucher	Human Health
Kansas Bioscience Park	7/26/2010	2,654,523	-	-	-	-	-	-	-	-	-	-	Infrastructure	Other
Hospira Phase II	9/14/2010	20,000	-	-	-	-	-	-	-	-	-	-	Expansion & Attraction	Human Health
Total 2007 funds released		3,025,258	-	-	-	-	-	-	-	-	-	-		
2007 Award Year Net Totals		15,476,136	7,082,516	2,890	230	416,935,238	18,462,088	6,221,419	4,270,567	5,000,000	24,915,188	-		

ABADRL - City of Manhattan	7/10/2007	1,500,000	1,022,000	30	-	-	-	3,300,000	-	-	-	-	ABADRL	Animal Health
City of Emporia - REG	7/10/2007	300,000	-	30	-	65,000,000	20,900,000	-	-	-	-	-	Expansion & Attraction	Bioenergy
Fort Dodge Animal Health	7/10/2007	3,500,000	-	215	-	38,700,000	-	-	-	-	-	-	Expansion & Attraction	Animal Health
Innovia Equity Investment	7/10/2007	650,000	650,000	3	-	100,000	-	-	-	2,450,000	-	-	Direct Equity Investments	Human Health
KC BioMedIX Equity Investment	7/10/2007	150,000	150,000	99	10	607,250	114,635	-	-	1,450,000	1,300,000	-	Direct Equity Investments	Human Health
OsteoGeneX SOST Inhibitor	7/10/2007	130,000	130,000	8	-	-	-	-	133,904	-	1,490,000	-	R & D Voucher	Human Health
CBRI Collab Biosecurity Research Initiative	9/28/2007	1,501,083	-	-	-	-	-	-	-	-	-	-	CBRI	Animal Health
CritiTech BTIIP	9/28/2007	264,048	264,048	25	-	-	-	400,000	37,180	750,000	1,382,580	-	BTIIP	Human Health
NBAF Phase II	9/28/2007	440,000	440,000	-	-	-	-	-	-	-	-	-	NBAF Infrastructure	Animal Health
KEMA	9/28/2007	312,500	312,500	26	-	86,688	207,872	65,000	1,555,250	-	-	-	R & D Voucher	Plant Biology
KansasBio 2008 Platinum	9/28/2007	-	100,000	-	-	-	-	-	-	-	-	-	-	Other
Remel Expansion	9/28/2007	1,250,000	250,000	166	17	7,000,000	24,956,209	-	-	-	-	-	Expansion & Attraction	Human Health
Deciphra-East Hills Incubator	11/26/2007	3,500,000	-	-	-	-	-	-	-	-	-	-	Expansion & Attraction	Human Health
Edenspace USDA SBIR Phase I	11/26/2007	40,000	40,000	-	-	-	-	80,000	80,000	-	-	-	Matching Funds	Bioenergy
Edenspace DOE SBIR Phase I	11/26/2007	50,000	50,000	-	-	-	-	100,000	100,000	-	-	-	Matching Funds	Bioenergy
Eminent Scholar - Kansas State	1/16/2008	2,055,000	1,380,000	-	-	-	-	4,000,000	14,299,740	-	-	-	Eminent Scholar	Animal Health
Pinnacle NIH SBIR Phase II	1/16/2008	375,000	375,000	9	-	-	-	879,298	1,656,746	-	-	-	Matching Funds	Human Health
MATRIC	1/16/2008	2,000,000	-	-	-	-	-	12,300,000	1,656,746	-	-	-	Other	Biomaterials
Eminent Scholar - KU (Peterson)	1/16/2008	5,000,000	3,000,000	-	-	5,000,000	198,977	25,900,000	12,847,999	-	-	-	Eminent Scholar	Human Health
BRI Training and Education	2/26/2008	1,548,000	1,548,000	2	-	-	-	-	-	-	-	-	CBRI	Animal Health
KU Breidenthal KUMCRI	4/8/2008	2,000,000	145,000	136	-	4,000,000	3,000,000	-	-	-	-	-	Infrastructure	Human Health
Eminent Scholar - Wichita State	4/8/2008	911,954	547,172	-	-	-	86,000	5,000,000	1,448,529	-	-	-	Eminent Scholar	Biomaterials
CCRI Collab Cancer Research Initiative	6/5/2008	25	-	-	-	-	-	-	-	-	-	-	Kansas Cancer Research Project	Human Health
ImmunoGenetix Equity	6/5/2008	420,000	420,000	1	-	-	-	-	2,685,000	420,000	1,790,000	-	Direct Equity Investments	Human Health
OsteoGeneX NIH SBIR Phase II	6/5/2008	375,000	375,000	-	-	-	202,000	995,000	1,540,000	-	-	-	Matching Funds	Human Health
TVAX Cancer Treatment	6/5/2008	187,622	187,622	1	-	-	-	-	-	-	-	-	BTIIP	Human Health
Ventria Plant Expansion	6/5/2008	3,750,000	3,750,000	19	-	3,750,000	1,195,000	-	4,205,000	-	5,495,000	-	Direct Equity Investments	Human Health
Vince & Assoc Facility	6/5/2008	200,000	150,000	29	16	-	1,000,000	-	-	-	-	-	Expansion & Attraction	Human Health
2008 Award Year Totals		32,510,232	15,286,342	799	81	124,243,938	31,860,698	53,153,202	60,729,348	5,070,000	10,407,580	-		

Less 2008 Funds Released:

Deciphra-East Hills Incubator	1/2/2008	3,500,000	-	-	-	-	-	-	-	-	-	-	Expansion & Attraction	Human Health
MATRIC	7/31/2008	2,000,000	-	-	-	-	-	12,300,000	-	-	-	-	Other	Biomaterials
Fort Dodge Animal Health	11/6/2008	3,500,000	-	215	-	38,700,000	-	-	-	-	-	-	Expansion & Attraction	Animal Health
CBRI Collab Biosecurity Research Initiative	5/24/2010	1,501,083	-	-	-	-	-	-	-	-	-	-	CBRI	Animal Health
CCRI Collab Cancer Research Initiative	9/15/2010	25	-	-	-	-	-	-	-	-	-	-	Kansas Cancer Research Project	Human Health
Total 2008 funds released		10,501,108	-	215	-	38,700,000	-	12,300,000	-	-	-	-		
2008 Award Year Net Totals		22,009,124	15,286,342	584	81	85,543,938	31,860,698	40,853,202	60,729,348	5,070,000	10,407,580	-		

KC BioMedIX Common Equity	7/15/2008	16,693	16,693	-	-	-	-	-	-	-	160,379	-	Direct Equity Investments	Human Health
KC BioMedIX Equity II	7/15/2008	400,000	400,000	-	-	-	-	-	-	3,100,000	3,032,713	-	Direct Equity Investments	Human Health
VasoGenix Pharmaceuticals I	7/15/2008	200,000	200,000	-	-	-	-	-	-	200,000	200,000	-	Direct Equity Investments	Human Health

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Less 2010 Funds Released:												
Rising Star - KU (School of Pharmacy)	5/5/2010	700,000	-	-	-	-	2,850,000	-	-	-	Rising Stars/Cluster Hires	Human Health
Rising Star - KU	9/9/2010	500,000	-	-	-	-	348,500	-	-	-	Rising Stars/Cluster Hires	Human Health
ReLive for Kids, LLC	9/9/2010	50,000	9	-	-	285,000	106,496	-	210,000	-	Matching Funds	Human Health
KBA Growth Fund - TBD (Formerly MeadowLark)	1/24/2011	1,000,000	-	-	-	-	-	-	-	-	Growth Fund	Other
Total 2010 funds released		2,250,000	-	9	-	285,000	3,304,996	-	210,000	-		
2010 Award Year Net Totals		65,862,399	11,601,025	253	10,088,350	39,275,000	10,088,324	14,748,106	6,363,672	15,250,000	2,980,058	-

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KANSAS BIOSCIENCE AUTHORITY
OUTCOMES REPORT

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2011 Award Year Totals				Rising Stars		Eminent Scholars		POCI		Direct Equity Investments		Other	
Award Title	Award Date	Amount Awarded	Amount Matched	Number of Awards	Number of Recipients	Amount Awarded	Amount Matched	Amount Awarded	Amount Matched	Amount Awarded	Amount Matched	Amount Awarded	Amount Matched
Rising Star - KU (Nie)	7/27/2010	850,000	-	1	-	-	-	3,930,000	-	-	-	Rising Stars/Cluster Hires	Human Health
Rising Star - KU (Xu)	7/27/2010	780,000	-	1	-	-	-	3,526,000	200,000	-	-	Rising Stars/Cluster Hires	Human Health
POCI - EnalaPed	8/2/2010	74,500	74,500	-	-	-	-	-	-	1,000,000	-	Proof of Concept	Human Health
POCI - IdentiGEN	9/17/2010	74,910	35,000	-	-	-	-	25,579	-	-	-	Proof of Concept	Human Health
POCI - Centaur	9/28/2010	51,120	46,120	-	-	-	-	-	-	-	-	Proof of Concept	Animal Health
Eminent Scholar - KU (Anant)	10/11/2010	1,450,000	-	5	-	-	-	5,000,000	-	-	-	Eminent Scholar	Human Health
Eminent Scholar - KU (Bhalla)	10/11/2010	2,051,000	-	8	-	-	-	7,000,000	-	-	-	Eminent Scholar	Human Health
Eminent Scholar - KU (Godwin)	10/11/2010	3,362,500	-	8	1	300,000	-	7,300,000	-	-	-	Eminent Scholar	Human Health
Eminent Scholar - KU (Welch)	10/11/2010	1,575,000	-	5	-	-	-	7,750,000	-	-	-	Eminent Scholar	Human Health
Orbis SBIR Phase II Matching	10/11/2010	347,550	149,750	3	2	-	-	695,173	695,173	-	-	Matching Funds	Human Health
Rising Star - KU (Director of Phase I Clinical Trials)	10/11/2010	725,000	-	4	-	-	-	6,500,000	-	-	-	Rising Stars/Cluster Hires	Human Health
POCI - Emerge Medical Solutions	10/20/2010	199,860	-	-	-	-	-	-	-	-	-	Proof of Concept	Human Health
POCI - NanoScale	10/26/2010	199,996	60,000	-	-	-	-	-	-	-	-	Proof of Concept	Human Health
POCI - Visimed	12/6/2010	161,600	-	-	-	-	-	-	-	-	-	Proof of Concept	Human Health
POCI - Pulse NeedleFree Systems	12/17/2010	73,800	20,000	-	-	-	-	-	-	-	-	Proof of Concept	Human Health
Aratana Therapeutics	12/21/2010	1,000,000	500,000	-	-	-	-	-	-	19,000,000	9,500,000	Direct Equity Investments	Animal Health
CEEZAD - Center of Excellence in Emerging Zoonotic & Animal Diseases	12/21/2010	4,000,000	-	4	-	-	-	-	-	-	-	Matching Funds	Animal Health
The Learning Collaborative	12/21/2010	500,000	-	-	-	-	-	-	-	-	-	Drug Development	Human Health
Heartland BioVentures NDDA	1/24/2011	175,000	72,500	-	-	-	-	-	-	-	-	Heartland BioVentures	Other
KBCI - CIBOR FY11	1/24/2011	1,500,000	-	-	-	2,900,000	-	1,100,000	-	-	-	Center of Innovation	Biomaterials
KBCI - HPI KICAPD Advanced Plant Design FY11	1/24/2011	1,000,000	-	-	-	-	-	4,000,000	-	400,000	-	Center of Innovation	Plant Biology
Lead Horse Technologies	1/24/2011	500,000	-	1	-	-	-	-	-	1,225,000	-	Direct Equity Investments	Human Health
Plastikon Industries	1/24/2011	750,000	-	126	-	7,000,000	-	-	-	-	-	Expansion & Attraction	Human Health
POCI - Innovative Products	2/4/2011	63,230	-	-	-	-	-	-	-	-	-	Proof of Concept	Human Health
POCI - ChocoFinesse	2/7/2011	131,800	-	-	-	-	-	-	-	3,000,000	-	Proof of Concept	Human Health
POCI - CritiTech Nanotax Phase I Clinical Trial	2/7/2011	197,500	-	-	-	-	-	-	-	-	-	Proof of Concept	Human Health
2011 Award Year Totals		22,294,366	957,870	166	19	10,200,000		46,826,752	1,395,173	26,625,000	10,155,000	-	

Less 2011 Funds Released:

Rising Star - KU (Director of Phase I Clinical Trials)	1/10/2011	725,000	-	4		-	-	6,500,000	-	-	-	Rising Stars/Cluster Hires	Human Health
Total 2011 funds released		725,000	-	4		-	-	6,500,000	-	-	-		
2011 Award Year Net Totals		21,569,366	957,870	162	19	10,200,000		40,326,752	1,395,173	26,625,000	10,155,000		

Grand Total of Funds Awarded		323,833,073	71,813,985	7,099	1,233	1,320,669,176	214,489,703	278,155,590	89,706,161	65,855,000	55,755,142		
Grand Total of Funds Released		80,229,131	-	235		38,985,000		44,564,996		210,000			
Grand Total of Net Funds Awarded		243,603,942	71,813,985	6,864	1,233	1,281,684,176	214,489,703	233,590,594	89,706,161	65,645,000	55,755,142		