

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on January 20, 2004 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

Jim Garner, Secretary, Kansas Department of Human Resources

Representative Kenny Wilk, Chair, House Economic Development Committee

Senator Nick Jordan, Vice Chair, Senate Commerce Committee

Others attending:

See Attached List.

Chairperson Brownlee welcomed Mr. Garner to the committee and invited him to speak to the committee.

Mr. Garner briefly reviewed his biography and began to list his goals for the Department of Human Resources. He stated that one of his primary goals was to modernize the ways in which state agencies operate in terms of paper. He advocated electronic document movement and technology upgrades that would allow document imaging to cut down on paper. Mr. Garner went on to address the need to re-write the current unemployment benefits computer system, one which had not been re-written since 1967 and still relied on outdated and hard-to-manage/update COBOL programming. His other goals included continuing the implementation of a fraud prevention mechanism designed to prevent employed people from also claiming unemployment, as well as continuing to improve the department's customer service.

Mr. Garner explained that **ERO 31**—Establishment of Workforce Development under Department of Commerce, will help Human Resources align workforce development programs with the Department of Commerce in an effort to produce more well-trained workers.

Senator Kerr asked about the consolidation of the Department of Commerce in regard to the affects that might occur from having less administration to guide programs. Mr. Garner replied that there would be a potential boost to workforce development through three means: meeting the demands of employers, meeting demands of human resources regarding the need to get low-skilled workers into job training, and combining efforts with the educational component through cooperation with schools and colleges. The ultimate goal of this would be to marry the demands of industry with dislocated people and the educational system so that they can all work together effectively.

Senator Barone noted that he had heard a great deal of complaints about the difficulty accessing the department and asked what the current status was. Mr. Garner replied that the three call centers were barraged with calls on Monday because of people's assumption that they needed to call Monday to get their check by the following Monday. He stated that they needed to work on informing people that this is not the case, in addition to focusing on increasing access through the internet.

Chairperson Brownlee thanked Mr. Garner for his comments and wished him luck.

Representative Kenny Wilk and Senator Nick Jordan jointly presented information on a proposal entitled the Kansas Economic Growth Act. They stated that the goal of the 10 year proposal would be to create a new leg for the Kansas economy's traditional triad of agriculture, gas and oil, and aviation. The new component: biosciences. Both stated that they were confident that Kansas could both compete and win in this field, going on to outline federal research monies and predictions by the Federal Reserve that biosciences will be the next big economic boom. Representative Wilk discussed the human and plant and animal research facilities in the state, including KU Medical Center and Kansas State University, respectively.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on January 20, 2004 in Room 123-S of the Capitol.

The speakers stated that the state needed three things to create new jobs: intellectual property, capital, and leadership. The act will be funded through the Emerging Industry Investment Act and will contain something for all Kansans.

Senator Jordan spoke to the committee about a recent tour he attended of different bioscience research facilities and of the exciting new developments on which they were working. He commented that the subcommittee on rural economic development last year had concluded that Kansas needed to grow entrepreneurs instead of chasing smokestacks. To this end, he explained the purpose for the Kansas Center for Entrepreneurship and the ways in which it would help facilitate growth by centralizing resources and expertise. He explained that the majority of loans would be seven to ten thousand dollars to help businesses get started, with larger loans to bioscience developments. In addition to other initiatives to help make rural or distressed downtown buildings less expensive for businesses to purchase and inhabit, both speakers pointed out the tremendous economic impact this kind of development can have on such communities.

In response to committee questions, the speakers replied that the bill is independent of the Stowers Institute, but that any interested legislators would be welcome to tour those facilities if they wished.

Representative Wilk stated that KTEC was helping a great deal with this project and that the hope would be to develop a model into which one could plug certain funding numbers and then be able to predict with accuracy what they might produce. Senator Jordan added that another goal would be to bring eminent scholars to Kansas with the range being around 20 Nobel laureates.

Following further discussion, the Chair commented that these were very exciting developments and that she appreciated their appearance before the committee.

The meeting was adjourned at 9:30 a.m. The next meeting will be at 8:30 a.m. on January 21, 2004 in Room 123-S of the Capitol.