

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on January 11, 2006 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Helen Pedigo, Revisor of Statutes
Jackie Lunn, Committee Secretary

Conferees appearing before the committee: Alan Conroy & Kathie Sparks, Legislative Research

Others attending:

See attached list.

Chairperson Brownlee welcomed everyone to the first Senate Commerce Committee meeting for the 2006 session. Chairperson Brownlee stated the Committee would get updates from Alan Conroy and Kathie Sparks both from Legislative Research. She then stated the Committee would have a discussion on the Senate Commerce Committee's Mission Statement and Committee goals to see if they need to be updated.

Chairperson Brownlee introduced Alan Conroy, Legislative Research Department to give an update on the financial condition of the state. In opening he stated he had very good news to share in regards to the state General fund; stating there had been a dramatic change from a couple of years ago. The general fund is reflecting the strength and growth in the Kansas economy. Mr. Conroy presented the committee with copies of the *Status of the State General Fund In-Brief (Attachment 1)*, *State General Fund Receipts fro FY 2006 (Revised) and FY 2007 (Attachment 2)*, *State General Fund (SGF) Receipts July through December, FY 2006 (Attachment 3)*, *State General Fund Receipts, Expenditures and Balances As Projected FY 2004-FY 2005 (Attachment 4)* and *State General Fund Receipts, Expenditures and Balances As Projected FY 2004-FY 2008 (Attachment 5)*. Mr. Conroy gave a brief review and update and in summing up, stated all numbers are very good with the only dark cloud hanging over future projections being energy and energy prices and what impact that will have on individuals and also at a corporate level. In closing he stated in the General Fund there is considerable strength and growth in the main areas of individual income tax, corporate income tax, and sales tax.

A discussion followed with the Committee and Mr. Conroy concerning the Governor's proposed budget and how that compared with the review he had just presented. There was also discussion on the sales tax results for December 2005. Senator Brownlee had concerns that the information the Committee had when the 2005 session ended changed dramatically and wanted to know if there was any way the Committee could have the information before the session ends. Mr. Conroy stated a large part of the change in projections was the individual income tax and how long it takes for those to be processed which puts that information available after the session ends. He also stated individual income tax is the largest single revenue source to the General Fund.

With no other questions or comments Chairperson Brownlee introduced Kathie Sparks from Legislative Research to review the Interim Report. Ms. Sparks offered the Committee a copy of the Reports of the Joint Committee on Economic Development to the 2006 Kansas Legislature. (Attachment 6) There was a discussion with the Committee involving the various topics of the report. Upon completion of the review, Chairperson Brownlee stated she felt the interim committee did a really good job this year.

Chairperson Brownlee turned the attention of the Committee to the Mission Statement for Senate Commerce Committee (Attachment 7), the Legislative committees on economic development; ststutes (Attachment 8), and the Original Mission Statement Synopsis (Attachment 9). Chairperson Brownlee stated she wanted the Committee to think through and decide if the Committee met their goals and if they needed to adjust them. The Committee discussed being more specific in where they were going in the goals by giving more support to the technical schools and workforce development in the state. The Committee discussed rewording some of the goals set last year. The discussion turned to the influx of new military to Manhattan and Ft. Riley and the impact that is going to have on the economy of Kansas.

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on January 11, 2006 in Room 123-S of the Capitol.

Chairperson Brownlee suggested rewording one of the goals regarding the military to better inform our Senate colleagues. Also there was discussion on changing the Mission Statement to add eliminating barriers to new employment or new businesses. The discussion continued on goal setting.

Upon on the conclusion of the discussion on goal setting, Chairperson Brownlee called the Committee's attention to a report entitled *State of Kansas 2005 Debt Affordability Report (Attachment 10)* given by Dr. W. Bartley Hildreth from Wichita State University.

Meeting adjourned at 9:30 a.m. with the next meeting scheduled on January 12, 2006 at 8:30 a.m. in room 123S.