

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on January 24, 2008 in Room 123-S of the Capitol.

All members were present except:

Jay Emler- excused

Committee staff present:

Jennifer Thierer, Kansas Legislative Research Department

Kathie Sparks, Kansas Legislative Research Department

Jason Long, Revisor of Statutes

Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Secretary Kerr, Department of Commerce

WKREDA

Others attending:

See attached list.

Chairperson Brownlee introduced Mr. Eric Depperschmidt representing the Finney County Economic Development in Garden City, Kansas. Mr. Depperschmidt presented written copy ([Attachment 1](#)) Mr. Depperschmidt gave a brief history on wKREDA, stating it stands for the Western Kansas Rural Economic Development Alliance and was formed in 1994 to become a united and stronger voice in western Kansas. Mr. Depperschmidt stated wREDA is working on the following issues which are listed below in conjunction with their solutions:

*Labor Force; Develop a program that will encourage people to relocate to western Kansas

*Holcomb Plant expansion; Support legislation to clarify that the regulatory process will be based on legislative intent and sound science and return certainty to the entities.

*Balance in Energy Policy; Sound science, use of the best available emission control technologies, and a diversity of fuel sources should be the basis of the state's energy strategy.

*Immigration Reform; Develop a working committee of community, business leaders, and elected officials to review state and federal immigration policy reform. Secure United States borders and assist with alleviating difficulties of worker visa applications.

*Department of Commerce Program Enhancements; Endorse program enhancements recommended by the Kansas Department of Commerce and the Kansas Department of Revenue, Modify the IMPACT Act and streamline and simplify investment and job creation

Mr. Depperschmidt called the Committee's attention to wKREDA, a written copy of a PowerPoint presentation, ([Attachment 2](#)), containing information regarding the various committees of wKREDA. Upon the conclusion of Mr. Depperschmidt's presentation, he introduced Mr. Jeff Hofaker, Phillips County Economic Development-Director to explain wKREDA's new initiative, "We Have Jobs".

Mr. Hofaker presented written copy. ([Attachment 3](#)) He stated the "We Have Jobs" initiative started with the simple philosophy of getting the awareness of jobs out to recruit workforce, with the understanding that the marketing plan would need to be expanded and would need more financial support than what wKREDA could contribute itself. He stated the "We Have Job" initiative covers the following areas: Networking tools, Primary contact with ready workforce, future workforce education, Education of support groups, Professional marketing tools, Special analysis, Grassroots technical support for information gathering, and website expansion. He stated that their hope would be more emphasis and financial support to be considered for both the marketing of the opportunities they have that are being developed, but also all the local development groups, which truly make the project happen. During Mr. Hofaker's presentation he made mention of Schult Holmes closing and one of the major factors was after two years of searching for workforce which included offering of several incentives, they could not find the appropriate amount of workers for them to grow steadily

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on January 24, 2008 in Room 123-S of the Capitol.

on what they wanted to do. He stated that the program “ We Have Jobs” could possibly prevent that from happening again in the future. In closing, Mr. Hofaker referred the Committee to the *wKEWDA Mission Participants*, (Attachment 4)

Upon the conclusion of Mr. Hofaker’s presentation there was discussion with the Committee regarding how to bring jobs and workforce to Topeka through education facilities; the status on bringing dairy farming and manufacturing plants related to dairy to Kansas; Holcomb Plant expansion and the transmission lines; and immigration.

Upon the completion of the discussion, Chairperson Brownlee introduced David Kerr, Secretary of Commerce to update the Committee on the Department of Commerce. Secretary Kerr stated he and Congressman Moran talked in great detail regarding the closing of Shult Homes. He and Congressman Moran both have calls in to the President of the company offering their assistance if there is anything they can do to help them recruit workers to help them change their decision. He also stated the Department of Commerce has launched a marketing plan to try to recruit people to Kansas and keep people in Kansas and bring those back that have moved away from Kansas.

Secretary Kerr stated that Chairperson Brownlee invited him to the Committee to give an overview of the Department of Commerce and called the Committee attention to the **Kansas Department of Commerce** fold out sheet (Attachment 5). He stated the fold out is a high level overview of the Department of Commerce which included about half of the programs of the Department of Commerce. He also stated since he has taken the position of Secretary of the Department of Commerce he has tried to flatten out the organization and make it less top heavy to have a larger span of control. He noted that the Department of Commerce and wKREDA have a pilot program they are jointly funding of one position that is recruiting workers to western Kansas from outside the state.

Secretary Kerr called the Committee’s attention to **Commerce Department 2008 Funding Sources** (Attachment 6) and **Non Operating (Aid to Local and Other Assistance)**. (Attachment 7) Secretary Kerr reviewed these documents with the Committee.

Secretary Kerr also offered written copy of a power point presentation that he stated the Committee has seen in other committees. (Attachment 8)

Upon the completion of the review of the Department of Commerce a discussion followed. The present marketing program the Department of Commerce has to recruit people back to Kansas was discussed and how it was being targeted to bring back alumni to the state. The discussion moved to the dollars in each program and also the federal funds in these programs.

Secretary Kerr moved the discussion to the outcome of various business development programs. He stated for fiscal year 2007, there were 7, 225 new jobs; 5,264 retained jobs; and new capital investment of 1.3 billion in the state. So far for fiscal year 2008, they have worked with 134 businesses; there have been 3,890 new jobs created with an average wage of \$14.50; and 2,389 retained jobs and a little less that 900 million dollars of new capital investment for basically half of the year. Secretary Kerr stated he does not have written copy of the above information but will email it to the Committee members. He stated that the programs the Department of Commerce offers are spread out across the entire state and he would get a map with that information on it to the Committee members.

Secretary Kerr stated that workforce development is an issue every state faces. He also stated the workforce in Kansas is an asset in bringing in new businesses. Kansas generated 15,900 new jobs in 2007 according to the **December Labor Report** with the private sector and government combined. He stated there is a workforce shortage in western Kansas and that is an issue that needs to be addressed.

Chairperson Brownlee adjourned the meeting at 9:30 a.m. with the next meeting scheduled for January 29, 2007 at 8:30 a.m. in room 123 S.

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on January 24, 2008 in Room 123-S of the Capitol.