

MINUTES OF THE HOUSE NEW ECONOMY COMMITTEE.

The meeting was called to order by Chairperson Bill Mason at 3:39 p.m. on February 19, 2002 in Room 522-S of the Capitol.

All members were present except:
Representative Kuether

Committee staff present:
April Holman, Research
Bob Nugent, Revisor
Renaë Jefferies, Revisor
Rose Marie Glatt, Secretary

Conferees appearing before the committee:
Jim Dahmen, Chairman of the Board, KTEC
Beth Brough, Vice President of Academic and Government Programs at KTEC
Matt McClorey, Vice President of Business Development and Portfolio Management
Bill Jarrell, Regional Director of Government Relations for The Boeing Company

Others attending:
See attached list

Representative Beggs moved, seconded by Representative Cox that the February 5, 2002 minutes be approved. The motion carried.

Jim Dahmen, Chairman of the Board for KTEC, introduced staff members in attendance, Beth Brough, Vice President of Academic and Government Programs, Matt McClorey, Vice President of Business Development and Portfolio Management, Lori Rost, Director of Finance and Allen Weis, Director of Information Technology. He provided information on efforts being made to replace Rich Bendis, who has resigned and taken employment in Pennsylvania. They received over one hundred inquiries, have interviewed four applicants and are in the process of doing the final background checks before they offer employment. They hope to have someone to present to the Committee by the middle of March.

He provided information on the background, philosophy and its network partners (Attachment 1). The Board of Directors considers the preservation and enhancement of KTEC's assets through prudent investment management to be of paramount importance. They realized early that in a rapidly changing world, they must be able to remain flexible enough to respond to unique challenges, ideas and projects, yet fulfill the broad vision of the Legislature. KTEC remains true to its legislative mandate and its responsibility.

Beth Brough, Vice President of Academic and Government Programs, gave a power point presentation on the Annual Report Data for 2001 with emphasis on the investment ratios (Attachment 2). She stated that since 1984 their cumulative results have been \$3.4 dollars to every state dollar, with improvement on that ratio in recent years to \$5.5:1 ratio for 2001.

Matt McClury described the three services provided by KTEC for start-up companies, 1. Research and Development Resources, 2. Risk Capital Resources and 3. Investment & Business Assistance. Other handouts included *KTEC, At a Glance*, and *The Power of 5 - Kansas Centers of Excellence* (Attachment 3). Copies of *Selected KTEC Activity in Counties* represented by Committee Members were distributed to each member (Attachment 4)

In conclusion Jim Dahmen stated that the current economic development structure has worked well and they recommend that the present structure remain. They look forward to the lifting of the EDIF cap providing additional resources to sustain their future effectiveness.

Discussion followed regarding KTEC's projects and their funding sources in various Committee Member's counties. In response to requests, KTEC's staff agreed to provide specific information on (1) a project in Wyandotte County, regarding the Kansas City public school USD #500 for Representative Long, and (2) the status of the projects listed in the Manhattan area from 1988 forward for Representative Osborne.

CONTINUATION SHEET

Bill Jarrell, Regional Director of Government Relations for Boeing, provided an update on the request for aviation research funding for the WSU National Institute for Aviation Research (NIAR) (Attachment 5). He provided background on the funding request and clarified the differences between the requests from the Kansas Board of Regents and that of the Aviation Industry on a comparison chart.

Discussion followed regarding the projected wind tunnel in respect to supersonic testing needs. Mr. Jarrell described the current status of HB 2690 currently in Appropriations and HB 2925 regarding the EDIF funding. He described the time schemes regarding the projects over the next five years.

The next meeting is February 21 in Room 243.

The meeting adjourned at 4:25 p.m.