

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 3:30 p.m. on February 5, 2004, in Room 526-S of the Capitol.

All members were present except:

Representative Annie Kuether- excused

Committee staff present:

Kathie Sparks, Legislative Research Department
Susan Kannarr, Legislative Research Department
Renae Jefferies, Office of Revisor of Statutes
Helen Pedigo, Office of Revisor of Statutes
Fulva Seufert, Secretary

Conferees appearing before the committee:

William P. Duncan, Ph.D., President, Kansas City
Area Life Sciences Institute
Harry A. Watts, Managing Director, Kansas Farm
Bureau Governmental Relations
Robert J. Vancrum, Government Affairs Specialist,
Greater Kansas City Chamber of Commerce
Doug Wareham, Senior Vice President, Kansas
Agribusiness Retailers Association

Others attending:

See Attached List.

Chairman Wilk opened the meeting of the House Economic Development Committee on Thursday, February 5, 2004, at 3:30 p.m. He announced that there would be a joint committee meeting with Senate Commerce on Monday, February 9, 2004, at 8:30 a.m. in 313-S where Senator Brownback would address the group.

Vice Chairman Gordon asked the LCA subcommittee to stay a few minutes after the meeting.

Chairman Wilk reopened the Public Hearing on:

HB 2647 - Bioscience authority and development act

The Chair welcomed Dr. William P. Duncan, President, Kansas City Area Life Sciences Institute, who informed the committee that he felt at home because he was raised in a small town and was an undergraduate of Pittsburg State University. He said he has seen first-hand what has happened to small towns in Kansas. He said he was here testifying as a proponent of **HB 2647**. The Kansas City Area Life Sciences Institute is a not-for-profit organization which was formed in 1999 to lead the area's transformation into a center of excellence in the life sciences. Along with the University of Kansas and the Kansas University Medical Center, the Life Sciences Institute fosters research collaborations, attracts funding, facilitates sharing of resources, and advocates for related economic development. Dr. Duncan said, "The expenditures outlined in the Bioscience Authority Act are critical for supporting this growth cycle, from laboratory to innovation to commercialization over the next ten years." He said he was very excited about this legislation because it solidifies the vision for the life sciences and is the critical next step by providing the funding and the future revenue needed to make our region a national leader in the life sciences. (Attachment 1)

Committee members asked numerous questions and were assured that this was more comprehensive legislation than any Dr. Duncan has seen around the country. He compared it to "leap frog" and said this represents "a quantum jump." When questioned about the stem cell research, he said that Kansas operates by using the Presidential guidelines. Members inquired about where he thought the Stowers II would be built, and he responded by sharing the following paragraph provided by the Stowers Institute:

"The Stowers Institute is encouraged by the steps being taken by Kansas and Missouri to provide financial support to enable KU and UMKC to add new researchers in the life sciences to their faculties. The Stowers Institute and Institute founders Jim and Virginia Stowers wholeheartedly applaud these efforts. The future of the life science initiative in Greater Kansas City depends on increasing the critical mass of research at KU and UMKC. Greater public investments in KU and UMKC will also enhance the potential for fruitful

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research collaboration between university scientists and colleagues at other research organizations in the community.”

Chairman Wilk thanked Dr. Duncan for testifying and making the difficult trip over to Topeka on such a stormy winter day. The Chair welcomed Harry A. Watts, Managing Director, Governmental Relations for the Kansas Farm Bureau, who spoke as a proponent for **HB 2647**. He specifically addressed their support of the Eminent Scholar and Rising Star Scholar programs which would have a significant impact on their bioscience efforts. He said they believe that **HB 2647** and the companion bills will have a great impact on improvement of life for their members. It also has the potential to increase profits for their Kansas Farm Bureau members. He concluded by mentioning the following three thoughts for the committee to consider:

- Would like to see one of the board of directors for the authority be an agricultural entrepreneur knowledgeable in bioscience.
- Believes they already have some very talented researchers that they do not want to lose to other states.
- Eminent domain should not be used in the acquisition of agricultural land.

In closing, Mr. Watts thanked the committee for consideration of the above-mentioned points. (Attachment 2)

Chairman Wilk thanked Mr. Watts and welcomed Mr. Doug Wareham, Senior Vice President, Kansas Agribusiness Retailers Association, who spoke as a proponent for **HB 2647**. Mr. Wareham said their membership includes nearly 750 agribusiness firms that are primarily retail facilities. His testimony also included a copy of Professor Runge’s study entitled, “The Economic Status and Performance of Plant Biotechnology in 2003.” This report outlines the positive impact plant biotechnology has played in agricultural production and touches on the economic impacts of plant biotechnology beyond the farm gate. Mr. Wareham had the following two concerns:

- The make-up of the 11 member board (New Section 4(c), which governs the Bioscience Authority.
- The second is board related, too, concerning when a vacancy occurs on the board (New Section 4(g). They support the use of a nominating committee that can submit names to the Governor, but believe there should not be restrictions on others that might wish to submit nominations .

He closed by saying this is not only an economic development bill, but will foster greater economic activity resulting in high paying jobs for Kansans and for broadening our tax base. He said, too, this will lead to better crop production tools, healthier foods, and better medicines for Kansas consumers. (Attachment 3)

During questions, members expressed an interest in having an opportunity to have the same tour that the other legislators had.

Chairman Wilk thanked Mr. Wareham and welcomed Mr. Robert J. Vancrum, Government Affairs Specialist, Greater Kansas City Chamber of Commerce, who supports **HB 2647**. He praised the bill saying it would give Kansas the cutting edge infrastructure to build on the nationally ranked Biosciences Foundation already in place. He specifically mentioned the impact it might have on the Stowers II facility. He reported the Greater Kansas City Chamber supports the entire Kansas Economic Growth Act, but specifically mentioned the Rural Entrepreneurship Initiative, Workforce Development Initiatives, Image Campaign, and the Angel Investment Initiative. (Attachment 4)

Chairman Wilk thanked Mr. Vancrum and closed the Public Hearing for **HB 2647**. The Chair asked Ms. Kathie Sparks, Legislative Research, to brief the committee on:

HB 2539 - Kansas development finance authority; authorizing bonds for research facilities.

Ms. Sparks reported that **HB 2539** is a simple bill which provides that the Kansas Development Finance Authority may issue research facilities bonds for not-for-profit or for profit organizations; an agricultural business enterprises, industrial enterprise or any other commercial enterprise; educational institution or health care institution. If the research facilities bonds are for a state agency, the bonds are subject to the approval process by appropriations (act of the legislature) or State Finance Council. Representative Gordon asked if this change gives KDFA authority to issue bonds for research facilities, and Ms. Sparks said that it minimally expands services that KDFA can offer.

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Representative Hill made a motion to approve the minutes of the February 3, 2004, meeting and Representative Brunk seconded. Motion passed.

The meeting adjourned at 5:00 p.m.