

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30a.m. on February 4, 2011, in Room 548-S of the Capitol.

Senator Vratil, excused

Committee staff present:

Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Alan Conroy, Director, Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Aaron Klaassen, Senior Fiscal Analyst, Legislative Research Department
Dorothy Hughes, Fiscal Analyst, Legislative Research Department
Brea Short, Intern, Senator McGinn's Office
Jan Lunn, Committee Assistant
Josh Lewis, Chief of Staff

Conferees appearing before the Committee:

Alan Conroy, Director, Legislative Research Department
Dr. Andy Tompkins, President and CEO, Kansas Board of Regents
John Dieker, Vice President, Bombardier Learjet, speaking on behalf of the National Institute for Aviation Research and the National Center for Aviation Training

Others attending:

See attached list.

Bill Introductions

Senator Umbarger moved to introduce a bill related to highway signage (#rs0544); Senator Teichman seconded the motion, which carried on a voice vote.

Senator Umbarger moved to introduce a bill related to the issuance of certificates of title for vessels (#rs0726); Senator Schmidt seconded the motion, which carried on a voice vote.

Senator Umbarger moved to introduce a bill concerning rail service improvement loans and grants (#rs0734); Senator Huntington seconded the motion, which passed on a voice vote.

Senator Umbarger moved to introduce a bill concerning repeal of K.S.A. 75-5002 and 75-5003 relating to the highway advisory committee (#rs0733); Senator Teichman seconded the motion, which carried on a voice vote.

Senator Huntington moved to introduce a bill increasing fees for the barbering board (#rs0039); Senator Teichman seconded the motion, which passed on a voice vote.

Senator Schmidt moved to introduce a bill (#rs0644) concerning unclaimed property and disclosure of tax information to the state treasurer; Senator Francisco seconded the motion, which passed on a voice vote.

Follow-Up Response

Senator McGinn noted that a response from Scott Frank, Legislative Auditor from the Division of Legislative Post Audit, was included in committee members' packets. He responded to numerous questions related to his presentation that was heard in the Senate Ways and Means Committee meeting on January 26, 2011. Mr. Frank's response is attached (Attachment 1), and considered part of this permanent record.

Preliminary General Fund Receipt Estimates

Alan Conroy, Director of the Legislative Research Department, was present to discuss the preliminary general fund receipt estimates. He noted that due to the closing of the State for the recent snow emergency, there has been a delay in closing out the January 2011 receipt report. Mr. Conroy reported that in January, preliminary figures indicate total State General Fund taxes increased 5.1% over projections. In terms of fiscal year-to-date through January, a modest

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economic gain has been realized of 0.2% over projected estimates (Attachment 2).

Dr. Andy Tompkins, President and CEO of the Kansas Board of Regents, was present to discuss the vision for higher education in Kansas (Attachment 3). He indicated the board has spent the past two years studying the needs of the Kansas economy, the trends in higher education, and the research on the future of higher education. As a result of this work, the Board approved a ten-year strategic agenda for Kansas higher education. He reviewed the six goals for the higher education system and the metrics that will be used to evaluate and assess achievement.

Responding to Committee members' questions, Dr. Tompkins indicated that:

- Progress is being made in program development that will assist experienced individuals in the workplace to go back to college to either complete a degree program or bridge into another career path such as teaching (alternative certification).
- The national standard for graduation or completion rates for a 4-year program is 33-34 percent, and the national standard for a 6-year program is 52-60 percent. He indicated the current trend reflects more time is being taken for full-time students to complete a 4-year program.
- Senator Kelly requested information, by university, related to how many students are retained. Dr. Tompkins indicated that information would be furnished at a later date. Not only is the persistence rate by university available but also information related to retention rates within the system.
- State universities in Kansas follow qualified admissions criteria when admitting undergraduate students. This ensures Kansas resident students meet certain admission criteria which enhance success at the university level.
- One strategic goal is to enhance alignment between the higher education system and the needs of the Kansas economy. In 2010, the Kansas Board of Regents met with business and industry leaders to assess workforce needs and identify gaps. Most universities routinely meet with advisory committees and undergo a program review process at determined intervals to ensure programs are aligned with identified needs. Information related to workforce resources and available jobs is communicated through job fairs and interaction with various businesses.

National Center for Aviation Training (NCAT) and National Institute for Aviation Research (NIAR)

John Dieker, Vice President of Bombardier Learjet, speaking on behalf of the National Institute for Aviation Research and the National Center for Aviation Training (Attachment 4), was present to discuss the aviation industry and to present the Senate Ways and Means Committee with annual reports from NCAT and NIAR, respectively (Attachments 5 and 6).

Mr. Dieker discussed with committee members the historical trend for aircraft production from 1970 through 2010. The Honeywell business jet forecast, the civil jet transport market, business jet market, and the economic impact of the aviation industry in Kansas were also reviewed. He emphasized global competition and methods to sustain Kansas' competitive advantage. Mr. Dieker reported on research funding through NIAR which leverages federal and industry funding in Kansas. NCAT programs launched or planned for launch in 2011 were reviewed. Mr. Dieker described success factors in growing the Kansas economy.

Mr. Dieker responded to questions from Committee members as follows:

- Aviation is a globally competitive industry. Some U.S. companies have manufacturing sites in other countries.
- During the economic downturn, business was impacted negatively. Production line rates dropped 40 percent, and experienced employees were laid off. Currently, the industry is in a growth position and in 2011, it is anticipated approximately 200-300 employees could be hired back. Employees laid off during the economic downturn will have recall rights.
- The knowledge and innovation seen in the aviation industry is integral in maintaining competitive advantage in Kansas.

The meeting was adjourned at 11:36 a.m.

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