

**Kansas, Inc.
Board of Director's Meeting
January 15, 2009**

A special meeting of the Kansas, Inc. Board of Directors was called on January 15, 2009 to discuss the Governor's Budget Recommendations for FY 2010. The meeting was held at the Kansas, Inc. Office, 632 S.W. Van Buren, Suite 100, Topeka, KS 66603. At 12:35 p.m. Co-Chair Johnson called the meeting to order. A quorum was present.

Members Present: Gene Argo (p), Patti Bossert, Rep. Tom Burroughs, Rep. Lana Gordon, Donna Johnson, Sec. David Kerr (p), Don Landoll (p), Wil Leiker, Donald Schnacke, Stephen Waite (p), and Sen. David Wysong (p)

(p) – via phone

Members Not Present: Sen. Laura Kelly, Lawrence McCants, John Pilla, Reginald Robinson, and Gov. Kathleen Sebelius

Staff Present: Stan Ahlerich, Debby Fitzhugh, Dan Korber

Others Present: Justin Schmidt, KTKA

Kansas, Inc. Budget and Budget Recommendations

Johnson provided the Board with an overview of the Governor's Budget Recommendations for FY 2010.

"For FY 2010, the Governor recommends that Kansas, Inc. be abolished. The economic development policy research and strategic planning of the State of Kansas will now be solely managed within the existing resources of the Department of Commerce."

Johnson requested Board input in regards to staff guidance, noting options were to 1) accept the Governor's recommendation and begin the shut-down process, or 2) maintain status quo and move forward with statutorily required operations and work with the Legislature to restore the agency. Johnson noted other options may be viable and opened the meeting for discussion. Discussion ensued regarding the recommendations.

At 12:44 p.m. Argo joined the meeting.

Schnacke provided a brief history of the discussions behind the creation of Kansas, Inc., noting the original intent was to position the agency as an independent entity.

Waite noted Kansas, Inc. had met all mandates, leveraged public funds with a considerable amount of private funds, and made tremendous strides as an organization during the past several years, and the state would lose much more than the agency's budget figures reflect.

Landoll referenced the importance of various research projects, such as financial incentive and tax-related research.

Kerr noted the budget recommendation was not a reflection of Kansas, Inc.'s body of work, rather a reflection of the state's overall budget situation.

Argo noted under the recommendation the agency's evaluation function would cease to exist and private funds from the KEDI 501(c)(3) could potentially be swept into the State General Fund.

Wysong noted difficult budget decisions were going to be made by the Governor and Legislature, but the Governor's recommendation was only part of the equation and stressed the agency should continue business as usual, contingent on the Legislature's decisions.

Gordon concurred with Wysong and stressed Kansas, Inc. must remain proactive in regards to addressing the budget recommendations, highlighting Kansas, Inc.'s role in the state's long-term strategic planning process.

At 1:15 p.m. Burroughs joined the meeting.

At 1:18 p.m. Bossert joined the meeting.

Leiker suggested the agency continue to move forward with business as usual.

Burroughs concurred in regards to the state's current budget concerns and recommended the agency continue with business as usual.

Johnson requested input regarding formal action, given the general consensus was to move forward with business as usual and work with the Legislature.

A motion was made by Gordon to direct staff to continue to move forward with business throughout the Legislative process. Waite seconded the motion, adding Kansas, Inc. was an essential element towards building the long-term future of Kansas. Discussion ensued.

Bossert requested clarification regarding the motion.

Johnson repeated the motion by Gordon for Board clarification. Discussion ensued regarding the motion. Leiker called for the question.

Johnson referred to the motion by Gordon, seconded by Waite. Motion carried.

At 1:26 p.m., with no further business, Johnson adjourned the meeting.

Respectfully submitted,

Stan Ahlerich
President