

Kansas, Inc.  
Board of Director's Meeting Minutes  
December 12, 2006

The December 12, 2006 meeting was held at the Downtown Topeka Ramada Inn – Regency Conference Room Southeast, 420 East 6<sup>th</sup> St, Topeka, KS 66603.

**Members Present:** Gene Argo, Patti Bossert, Rep. Tom Burroughs, Rep. Lana Gordon, Donna Johnson, Sen. Laura Kelly, Wil Leiker, Lawrence McCants, Stephen Morris, John Pilla, Donald Schnacke, Stephen Waite

**Members Not Present:** Howard Fricke, Reginald Robinson, Gov. Kathleen Sebelius

**Staff Present:** Stan Ahlerich, Debby Fitzhugh, Daniel Korber

**Others Present:** None

The meeting was held at the Ramada Inn following the meeting of the Kansas, Inc. Strategic Planning Steering Committee. The Board had lunch with the Governor and several members of the Steering Committee.

At 2:05 p.m. Argo called the meeting to order. A quorum was present.

**Approval of Minutes – September 20, 2006**

Argo referred to the Minutes of the September 20, 2006 meeting. A motion was made by Bossert to approve the Minutes of the September 20, 2006 meeting. Seconded by Johnson. Motion carried.

**Financial Report**

Ahlerich provided the Financial Report for the period ending October 31, 2006. Ahlerich provided details from the report and noted no major anomalies during this period. Ahlerich noted there was funding within the budget to hire a policy analyst during 2007. Ahlerich noted a substantial amount of funds will be spent from the Kansas, Inc. Private Account during this Fiscal Year, an account which is funded by rent and administrative services for the Information Network of Kansas (INK). Ahlerich also noted that approximately \$11,100 was collected via fundraising thus far. Discussion ensued.

A motion was made by Burroughs to receive the Financial Report for the period ending October 31, 2006. Seconded by McCants. Motion carried.

Ahlerich provided information regarding the Fiscal Year 2008 Budget. Ahlerich noted that he had visited with Secretary Goossen regarding the budget and with the help of several legislators, including Senator Morris, many of the Board's proposed increases were thus far secure. Ahlerich noted that the \$100,000 designated for the KTEC evaluation was not approved by the Division of Budget and Kansas, Inc. filed a written appeal to the Governor in November 2006. Discussion ensued.

**Co-Chair Report**

Argo noted that Board members should check their calendars for the upcoming 2007 Board meeting dates. Argo highlighted some of the events from the Strategic Planning Steering Committee meeting held

prior to the Board meeting. He noted attendance and participation was good and overall the process had started on a positive note.

### **Legislative Report**

Gordon provided an overview of several issues that may come forward during the 2007 Legislative Session, including STAR Bond legislation and other economic initiatives.

Kelly noted while visiting with several individuals throughout the state at lunch, there was considerable energy stemming from the kickoff of the Strategic Planning process. Kelly highlighted several issues that may come forward during the upcoming Legislative Session, including the possible opportunities associated with developing the Animal Science Corridor.

Morris concurred with Kelly regarding the corridor, and noted a possible Bi-State Authority, not in competition with the Kansas Bioscience Authority, could provide further access to Federal funds to enhance opportunities. Morris noted vocational education funding and KPERS may become issues during the upcoming session.

Burroughs noted that eminent domain, especially tied to the STAR Bonds could create some issues during the upcoming session. Burroughs noted issues with the prison system becoming increasingly overburdened may force an analysis of options to address this problem.

Regarding the upcoming Legislative Session and new legislators, Waite questioned whether the new members understood Kansas, Inc.'s mission and if there were opportunities to present this mission to them?

Ahlerich noted that aside of the typical agency interaction with the Legislature no additional plans had been made, although the Strategic Planning process may provide further interaction with the Legislature.

Kelly noted that several delegations would be meeting in the near future, and it may be good to go before them to present Kansas, Inc.'s message.

Burroughs noted that Caucus meetings would be another avenue for Kansas, Inc. to present their message.

The Board concurred that the more opportunities to present Kansas, Inc.'s mission and activities to Legislators and other interested individuals, the better.

Ahlerich noted Fitzhugh had scheduled several recent and upcoming meetings with cabinet secretaries, along with other meetings with individuals throughout the state.

Morris noted marketing and educating Kansas, Inc.'s mission and role to these individuals was a never-ending process.

Several Board members noted they would assist with this process whenever possible.

### **President Report**

Ahlerich noted the Strategic Planning process had begun, with the Statewide Cell Chairs meeting on December 5, 2006, and the Steering Committee meeting earlier in the day. Ahlerich noted the Statewide Cell meeting had gone well, and there was interest from several communities and individuals in participating in the process.

Ahlerich noted that the Steering Committee meeting had proceeded accordingly, given the time constraints on the meeting and the fact that the members were basically given a blank sheet to start with. By design, this was a working meeting, and several members of the committee were engaged in the conversation.

Both Bossert and Argo, who are on the Steering Committee, concurred with Ahlerich regarding the direction and energy that was developed during the first Steering Committee meeting.

Ahlerich provided an overview of the Indicators of the Kansas Economy project, and noted the key issue was finding ways to fund the project. Ahlerich noted several conversations and a letter was distributed in regards to this project, however, initial funds were still minimal. Ahlerich suggested to move forward with this project, possibly reallocating funds from other current projects may be necessary.

Korber noted several in-house reports were on schedule for completion before the upcoming Legislative Session, including the 2005 Vitality and Distress, 2006 Grants and Loans, and the 2006 Chronological History.

Ahlerich provided the Board with an update regarding the Post K-12 Education Study, noting that a joint venture had been developed, including: Kansas, Inc., Kansas Department of Commerce, Kansas Board of Regents, and the Workforce Investment Board of Kansas. This collaboration would allow the project to be a better overall project; however, the new timeline regarding the final product may not be relevant for the 2007 Legislative Session.

### **New Business**

Argo discussed the Board's decision to amend its current contract with Ahlerich, noting the new contract was similar to the previous contract, with modifications made regarding the salary upgrade and dates within the contract. Argo noted this was a six month contract, per the request of Ahlerich. Discussion ensued.

A motion was made by McCants to approve the Kansas, Inc. Board's contract with Ahlerich, for a period of six months, beginning on January 1, 2007. Seconded by Schnacke.

Burroughs requested clarification whether Ahlerich had taken on additional expenses on behalf of the agency. Ahlerich noted none had been taken.

Argo referred the Board to the previous motion and second. Motion carried.

At 2:40 p.m. Morris was excused from the meeting.

### **Board Member Update**

Bossert noted in the Workforce Development breakout during the Strategic Planning meeting, several issues regarding the workforce were brought forward, including illegal workers and how to address these issues.

Waite noted Kansas, Inc. had moved forward from where it was a few years ago, and mentioned the IKE project would be a good way to further strengthen Kansas, Inc.'s position.

McCants noted a key aspect of the Strategic Planning process was to develop an executable plan.

Gordon noted image issues concerning Kansas were continually a topic of discussion, highlighting some of the concerns that had been voiced in regards to *Kansas Magazine* and other marketing efforts.

Ahlerich noted possible marketing models may be brought forth during the Strategic Planning process.

Waite noted the image issue may be out of our control, and cited discussions regarding the Kansas Board of Education and the reflection of their decisions on Kansas overall.

Pilla noted the development of skilled, trained workforce, coordinated throughout the state would benefit everyone. Pilla also noted that within technology, changes typically occur every three to five years, further complicating workforce issues.

Schnacke noted the interest in energy issues from the Steering Committee meeting, and noted that research funds are increasingly taken away from the industry by the government, in hopes that the industry can fund itself. Schnacke noted this misconception has detrimental effects on the independent sector of the industry, which relies on public institutions for their research and development. Schnacke stressed the importance of the oil and gas industry on economic development and the overall economy.

Leiker noted a “Helmets to Hardhats” program, designed to train individuals leaving the military for other industries, including construction. Leiker noted the unemployment rate for individuals leaving the military was around 18 percent nationally.

Johnson noted the Kansas image continues to be detrimental for the technology industry, citing that some individuals will simply not consider Kansas because of this issue. Johnson noted Kansas still lags many states in regards to science and technology funding. Johnson also noted an upcoming meeting highlighting the Kansas Bioscience Authority. In general terms, this meeting is designed to figure out how to work with them and answer several questions in regards to their efforts, including funding issues, requirements, and other specific details.

Ahlerich noted the Kansas Center for Entrepreneurship, by statute, was planning a similar meeting during January to discuss some of the same issues.

McCants noted the banking industry was doing well overall, and the trend of community banks collaborating to secure larger loans was increasing. McCants noted investment in several projects throughout the state, including ethanol and other alternative energy resources.

At 3:25 p.m. Kelly was excused from the meeting.

At 3:25 p.m. McCants was excused from the meeting.

#### **Other Business**

Argo reminded the Board to check their calendars for future Board meeting dates during 2007.

With no further business, Argo adjourned the meeting at 3:30 p.m.

Respectfully submitted,

Stan Ahlerich  
President