

Kansas, Inc.
Board of Director's Meeting Minutes
June 12, 2007

The June 12, 2007 meeting was held at the Hays Medical Center, 2220 Canterbury Drive, Hays, Kansas. Following the meeting, Dr. John Jeter, President and CEO of Hays Medical Center provided a presentation and tour of the facility.

Members Present: Gene Argo, Rep. Tom Burroughs, Rep. Lana Gordon, Donna Johnson, Sen. Laura Kelly, Sec. David Kerr, Wil Leiker, John Pilla, and Stephen Waite

Members Not Present: Patti Bossert, Lawrence McCants, Sen. Stephen Morris, Reginald Robinson, Donald Schnacke and Gov. Kathleen Sebelius

Staff present: Stan Ahlerich, Debby Fitzhugh, Daniel Korber and Jacquelyn Koehler

Others Present: Tracy Taylor, Kansas Technology Enterprise Corporation (KTEC)

At 8:35 a.m. Argo called the meeting to order. A quorum was present.

Argo welcomed new Board member, Secretary of Commerce David Kerr and guest Tracy Taylor, Kansas Technology Enterprise Corporation (KTEC).

Approval of Minutes – March 13, 2007

Argo referred to the Minutes of the March 13, 2007 meeting. Fitzhugh provided ballot results from the March 13, 2007 meeting:

Item 1: Approval of the December 13, 2006 Kansas, Inc. Board of Director's meeting minutes. Results were 12 yes, 0 no, 0 abstain. Motion carried.

Item 2: Approval of the Financial Report for the period ending January 31, 2007. Results were 12 yes, 0 no, 0 abstain. Motion carried.

Item 3: Approval of \$24,000 to be used for the *Economic Development Expenditures* study by Wichita State University. Results were 12 yes, 0 no, 0 abstain. Motion carried.

A motion was made by Waite to approve the Minutes of the March 13, 2007 meeting. Seconded by Burroughs. Motion carried.

Financial Report

Ahlerich provided the Financial Report for the period ending April 30, 2007, noting no major anomalies. Discussion ensued. A motion was made by Leiker to approve the Financial Report for the period ending April 30, 2007. Seconded by Kerr. Motion carried.

Ahlerich provided an update on the FY 2008 budget noting funding was appropriated for the evaluation of KTEC and for a competitive increase in the President's salary. Ahlerich acknowledged the Legislators on the Board who assisted in carrying the FY 2008 budget and enhancements through the Legislature.

Co-Chair Report

Argo shared an article from *USA Today* that mapped population changes across the United States. The map illustrated that Kansas, especially the northwest region, was losing population. Argo noted Hays, similar to other communities, had very low unemployment rates and individuals were simply not present to fill available jobs.

Legislative Report

Gordon noted STAR Bonds were renewed during the 2007 Legislative Session. Also, as Chair of the Joint Committee on Economic Development, Gordon noted several economic development issues to be discussed during the 2007 Interim Session will include workforce development and housing issues.

Kelly noted the Postsecondary Technical Education Authority was formed to focus on the vocational education system. Kelly noted Senate Bill 11 regarding comprehensive healthcare reform passed. Kelly also noted a portion of the Governor's Rural Initiative did not pass, specifically the Rural Opportunity Zones.

Kerr noted positive initiatives for businesses including enhancements to the Rural Opportunity Tax Credit and the Franchise Tax phase-out. Kerr also noted a request had been made to include workforce recruitment as a topic during the 2007 Interim Session.

Burroughs noted the Kansas Expanded Lottery Act (Senate Bill 66) may create ancillary development, recruit workers, and provide an opportunity for colleges to train workers. This would be done without using TIF or STAR bonds, thus bringing new investment into Kansas. Burroughs noted the transportation development district legislation passed, however, eminent domain legislation did not pass. Burroughs noted a sense of disappointment in the amount of funding for K-12 and higher education.

President Report

Ahlerich provided an update on the Strategic Planning process, noting the first round of statewide Cell meetings went well and represented the diversity and talent throughout Kansas. In May, the Strategic Steering Committee, Statewide Cell Chairs, and Academic and Policy Resource Team met in Wichita for the second Strategic Planning meeting. Ahlerich provided the Board with materials from the meeting.

Ahlerich noted meetings with various stakeholders would occur during the following months to focus the information into specific goals and action items within the Strategic Plan. Discussion ensued.

Kerr requested clarification regarding the actions following the completion of the plan. Ahlerich noted the importance of maintaining momentum and involvement following the completion of the plan and stressed much work would be required following the publication and presentation of the plan to the Governor and Legislature. Discussion ensued.

Ahlerich noted the Kansas Image Report was nearing completion. Though the report is not complete, he noted preliminary survey information implies that in order to be successful, a brand image or marketing campaign must have necessary funding.

Ahlerich referred the Board to the June 2007 Newsletter and requested feedback. Overall feedback was positive and the Board suggested it be sent to other individuals including Strategic Planning Committees, donors, and other government officials.

Ahlerich noted the *Economic Development Expenditures* study with Wichita State University was proceeding and the Center for Entrepreneurship Evaluation RFP process had been completed and the project was awarded, pending Board approval, to Richard Caplan & Associates.

Ahlerich noted the Kansas Department of Commerce Evaluation was ongoing and an extension has been granted to the Institute for Policy and Social Research to finish the project.

New Business

Argo requested the Board affirm Kerr as a member of the Kansas, Inc. Board of Directors. A motion was made by Waite to affirm Kerr. Seconded by Leiker. Motion carried.

Ahlerich indicated that in order to pursue the Center for Entrepreneurship RFP, additional funding had to be attained. The Center for Entrepreneurship agreed to contribute \$18,000 for the evaluation matched with funds of \$15,000 from Kansas, Inc. A motion was made by Kelly to use \$15,000 for the Center for Entrepreneurship Evaluation. Seconded by Johnson. Motion carried.

Argo noted Ahlerich's contract expired on June 30, 2007 and requested the Board extend the contract without adjustments for a six month period ending December 31, 2007. A motion was made by Kerr to extend Ahlerich's contract as President without adjustments. Seconded by Gordon. Motion carried.

Ahlerich noted Kansas, Inc. was in the process of applying for a grant from the Information Network of Kansas to further develop and implement the Indicators of the Kansas Economy (IKE) project. Discussion ensued. A motion was made by Waite to continue to pursue the Information Network of Kansas grant and to move forward with the IKE project. Seconded by Kelly. Motion carried.

Board Member Industry Updates

Waite noted the annual Kansas Calvary meeting was scheduled for June 27, 2007 in Junction City, Kansas. Waite noted a foundation, similar to Missouri's Hawthorne Foundation, was in the works to provide financial support for the Governor on international travel.

Pilla noted issues within the aviation industry regarding technical training and worker retention. Pilla also noted Hawker Beechcraft was once again an independent company, indicating a trend of divesting into smaller companies as opposed to smaller companies merging into larger corporations.

Johnson noted the Kauffman Foundation completed a study ranking states in regards to technology and entrepreneurship from 2004-2006. Johnson indicated Kansas had been ranked fifth for decline in entrepreneurship, was in the bottom for gaining technical jobs and averaged 38th in venture capital, but was 22nd in spending. However, given these results, she indicated Kansas has plenty of room to improve.

Leiker noted the Kansas Expanded Lottery Act (Senate Bill 66) created potential for opportunities in construction and maintenance, which would help keep investments in Kansas. Leiker noted the Fort Riley expansion created several opportunities and mentioned more apprentice programs and programs similar to Helmets to Hardhats were needed.

Fundraising Update

Ahlerich reported fundraising results of \$24,650 toward the goal of \$50,000 and though the goal had not been met, with time Kansas, Inc. would better meet these goals. Ahlerich noted the Kansas Center for Entrepreneurship provided \$18,000 to assist with their evaluation and \$100,000 had been appropriated for the KTEC evaluation. Ahlerich also noted the IKE grant proposal could provide \$70,000 to further implement and develop the IKE project.

Other Business

With no further business, Argo adjourned the meeting at 10:15 a.m.

Respectfully Submitted,

Stan Ahlerich
President