

Kansas, Inc.
Board of Director's Meeting Minutes
September 5, 2007

The September 5, 2007 meeting was held at the Kansas, Inc. Office, 632 S.W. Van Buren, Suite 100, Topeka, KS 66603.

Members Present: Gene Argo, Patti Bossert, Rep. Tom Burroughs, Rep. Lana Gordon, Donna Johnson, Sen. Laura Kelly, Sec. David Kerr, Don Landoll, Wil Leiker, John Pilla, Reginald Robinson, Donald Schnacke and Sen. David Wysong

Members Not Present: Lawrence McCants and Gov. Kathleen Sebelius

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

Others Present: None

At 10:10 a.m. Argo called the meeting to order. A quorum was present.

Argo announced Sen. Morris had regrettably resigned from the Kansas, Inc. Board of Directors due to time constraints, appointing Sen. Wysong to replace him. Stephen Waite resigned from his position as Commanding General of the Kansas Cavalry. Don Landoll was appointed as new Commanding General of the Kansas Cavalry by the Governor, making him a member of the Kansas, Inc. Board by statute. A motion was made by Sec. Kerr to affirm Landoll and Wysong to the Kansas, Inc. Board of Directors. Seconded by Kelly. Motion carried.

Argo welcomed the new Board members. Landoll and Sen. Wysong provided brief histories of their background and interests to the Board.

Argo indicated McCants and Schnacke had been reappointed to the Kansas, Inc. Board of Directors by the Governor and confirmed by the Senate Confirmation Committee. A motion was made by Leiker to affirm McCants and Schnacke to the Kansas, Inc. Board of Directors. Seconded by Schnacke. Motion carried.

Approval of Minutes – June 12, 2007

Argo referred to the minutes as presented from the June 12, 2007 meeting. A motion was made by Kerr to approve the minutes of the June 12, 2007 meeting. Seconded by Johnson. Motion carried.

Financial Report

Ahlerich provided the Financial Report for the period ending July 31, 2007, noting no major anomalies other than payment issues due to timing. Discussion ensued.

Rep. Burroughs joined the meeting.

A motion was made by Bossert to approve the Financial Report for the period ending July 31, 2007. Seconded by Johnson. Motion carried.

Ahlerich provided an overview of the FY 2009 budget and provided justification regarding certain enhancements. These are in the areas of research, additional funds for the Administrative Assistant, IKE and operations. Discussion ensued.

Rep. Gordon joined the meeting.

Sen. Wysong requested clarification as to why more enhancements were not requested since Kansas, Inc. was using funds from the private account for operations. Discussion ensued on the need for additional funds in research, operations, and continuation of IKE. A motion was made by Sen. Wysong to approve the FY 2009 budget submission and enhancements of \$94,000 in the areas of research, IKE, operations and the Administrative Assistant position. Seconded by Leiker. Motion carried.

Johnson indicated that with the Strategic Plan and improving reputation of Kansas, Inc., more research would be warranted and requested, yet the same amount of funding was being requested. Bossert indicated more money should be requested to meet an increase in demand for research. Discussion ensued.

Co-Chair Report

Argo mentioned the June Board Meeting at the Hays Medical Center, referring to difficulties with rural health care. Argo noted he was looking forward to seeing the results of the Strategic Plan. Argo mentioned the Western Kansas Roping and Riding Championship would be held in WaKeeney, Kansas on September 29th. The Championship is presented by Mid-America Rodeo, Co., LLC of which Argo is president.

Legislative Report

Sen. Gordon noted the September meeting of the Joint Committee on Economic Development would be covering affordable housing and updates on various state agencies including: the Bioscience Authority, Kansas Technology Enterprise Corporation, Department of Revenue and Department of Commerce. Gordon indicated the October meeting would cover workforce development, updates on the Center for Entrepreneurship, Kansas Small Business Development Centers and Regional Rural Development Centers. During November, the Committee would be discussing the economic impacts of the arts.

Sen. Kelly noted the State Employee Compensation Oversight Commission would review a proposed new structure of compensation for state classified employees at their upcoming meeting. Sen. Kelly indicated under the current structure the state had difficulties attracting and retaining high level employees.

Sen. Wysong noted the Senate Ways and Means Committee and the House Appropriations Committee would be taking a joint tour around the state. They would be making 25 stops in five days, some of which included: Ventria Bioscience facility, Great Plains Regional Training Center, Healy Biodiesel plant, Spirit AeroSystems, Kansas Underground Salt Museum, John Deere Ag Tech program at Garden City Community College, Sunflower Electric Power Corporation, Greensburg, Larned Correctional Mental Health Facility, K-State – Salina, School of Technology & Aviation, and the Biosecurity Research Institute at K-State.

Rep. Burroughs referred to his work on the Legislative Post Audit and Appropriations Committees. Rep. Burroughs noted gaming issues in Wichita, indicating that gaming would bring necessary jobs and would be good for economic development. However, he noted that the statute would have to pass a probable Supreme Court constitutionality test.

Sen. Kelly was excused from the meeting.

President Report

Ahlerich referred to staff to present updates on various reports.

Korber provided a brief overview of *The Kansas Image: Overview and Analysis*, indicating other states' practices had been studied and a survey had been conducted regarding Kansas image and the *Kansas as big as you think...* brand image campaign. Korber referred to the report recommendations which indicated state branding/image initiatives should include: measurability, funding, continuity, partnerships, and focus.

Sec. Kerr noted that the Department of Commerce had put its Travel and Tourism Division under the Marketing Division to increase communication. Also, Sec. Kerr indicated efforts were being made to market the state's workforce development program.

Korber distributed copies of the preliminary executive summary of the *Economic Development Expenditures* study. Korber indicated a portion of the draft report had just been received and Kansas, Inc. had not had a chance to fully review it. However, several main points were referenced in the Executive Summary.

Koehler gave an overview of *A Brief History of Workforce Development in Kansas – Update Through June 2007*. Koehler indicated the report included information on research, initiatives and changes in the workforce development system in Kansas including occurrences from 2005 through June 2007.

Robinson mentioned the study *Aligning Postsecondary Education with the Needs of Businesses*, would be released within the next several weeks. Robinson indicated the Board of Regents was looking forward to the study results and there was desire to align postsecondary education with the economic needs of the state.

Sen. Kelly rejoined the meeting. The Board took a break for lunch at noon.

At 12:20 p.m. Argo reconvened the meeting.

Ahlerich noted the *Kansas Department of Commerce Evaluation* was ongoing and an extension had been granted. The research group was waiting for a questionnaire that had been sent out. The new deadline is set for October 12, 2007.

Ahlerich mentioned that the preliminary draft of the *Center for Entrepreneurship Evaluation* had been received. Kansas, Inc. was in the process of reviewing the report.

Ahlerich announced that Kansas, Inc. had been awarded the \$70,000 grant from the Information Network of Kansas to further implement the IKE project.

Korber briefly overviewed the June issue of the *Indicators of the Kansas Economy (IKE)* report. Johnson suggested an email reminder be sent to stakeholders notifying them when the most recent issue of the report is placed online.

Ahlerich updated the Board on the Strategic Planning process. A summary of preliminary initiatives for all the areas of focus for the Strategic Plan were distributed and Ahlerich guided the Board through several key areas and initiatives. Discussion ensued.

Robinson and Sen. Wysong were excused from the meeting.

New Business

Argo noted the vacancy on the Executive Committee due to Sen. Morris's resignation. A motion was made by Sen. Kelly to nominate and elect Sen. Wysong to the Executive Committee. Seconded by Sec. Kerr. Motion carried.

Old Business

Ahlerich noted that though Stephen Waite had resigned from position as Commanding General of the Kansas Cavalry, he expressed interest in filling the Financial Services vacancy on the Kansas, Inc. Board. The appointment is subject to approval by the Governor and confirmation by the Senate.

Board Member Industry Updates

Johnson noted the positive experience she had working with the Bioscience Authority indicating a significant change and improvement over the last year. Johnson also indicated positive community involvement in Manhattan in regards to the Department of Homeland Security National Bio and Agro-Defense Facility.

Bossert referenced issues and concerns in regards to the state mental institutions indicating that the process of involuntary commitment and receiving services needed improvement. Bossert also indicated that facilities were unsatisfactory and state hospitals were unavailable.

Schnacke indicated that the Kansas oil and gas industry was doing very well and their main problem was finding people to fulfill workforce needs. Schnacke referenced the Pratt Community College Oil and Gas Program and its importance for training field workers. Schnacke invited Board members to an October 4th meeting in Topeka hosted by ConocoPhillips that would cover various energy issues.

Landoll noted workforce development was a major issue in the manufacturing industry and language barriers and substance abuse are major issues. Landoll also indicated that the machinery and equipment tax exemption has been helpful to his company.

Other Business

With no further business, Argo adjourned the meeting at 2:00 p.m.

Respectfully Submitted,

Stan Ahlerich
President