

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairperson Al Lane at 9:10 a.m. on January 24, 2002 in Room 521-S of the Capitol.

All members were present except: Rep. Broderick Henderson - excused
Rep. Todd Novascone - excused
Rep. Rick Rehorn - excused

Committee staff present: Jerry Donaldson, Legislative Research
Renae Jeffries, Revisor of Statutes
Bev Adams, Secretary

Conferees appearing before the committee: Pat Finn, Finn & Associates, Wichita
John Fowler, KCCI

Others attending: see attached list

Briefings by Kansas Businesses and others on the Business/Economic Climate in Kansas

Pat Finn, of Finn & Associates, appeared before the committee to talk about how the present economic conditions are affecting his business. His business flourishes when the economy is vibrant and suffers during any slumps. The forecast for their business is a 15% reduction in profits this year. One problem is the banking situation and the tightening of credit. Some changes he would like to see in governmental rules and regulations is less paper work and enforcement of current laws such as real estate licensing. He would like to see a moratorium placed on taxes during this downturn, especially on stealth taxes such as cigarettes and alcohol. He concluded his presentation by answering many questions from the committee. (Attachment 1)

A question came up about the cost of special ed as a part of the whole school budget. Rep. Ballou disagreed with the figure and will research the percentage and bring the results back to the committee.

Terry Leatherman, KCCI, introduced John Fowler, President of KCCI.

John Fowler, President of the Kansas Chamber of Commerce and Industry, appeared before the committee to present the chamber's observations on the Kansas economy. The world has changed drastically in recent months. The economy, already slowing a year ago, has since fallen into recession. Manufacturing has been troubled for over a year, due in part to the strength of the dollar and weakness in the global economy. Corporate profits are down, as evidenced by income tax receipts. With data available to us through November, neither employment nor retail sales have declined as much as had been predicted. Interest rates and energy rates remain low. Some believe that the national recession could ease as early as the third quarter of this year. The KCCI believes that the surest way to grow state revenues is to grow the economy. The Governor has proposed a series of stimulus measures that could help. The state of Kansas and its communities must redouble their commitments to keeping Kansas jobs and growing new opportunities. By doing this, the state can emerge from this recession stronger than before. He ended his presentation by answering many questions from the committee. (Attachment 2)

Chairman Lane adjourned the meeting at 10:10 a.m.

The next scheduled meeting is January 29, 2002, at 9:00 a.m.