

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:00 a.m. on March 5, 2004 in Room 123-S of the Capitol.

All members were present except:

Senator Chris Steineger- excused
Senator Pete Brungardt- excused
Senator Susan Wagle- excused

Committee staff present:

Kathie Sparks, Legislative Research
Susan Kanarr, Legislative Research
Helen Pedigo, Revisor of Statutes
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

Jim Bruner, Quad County Enterprise Facilitation Project
Betty Melson, Greenwood County Economic Development, Quad County Enterprise Facilitation Project
Ron Wilson, Huck Boyd National Institute for Rural Development
Janet Greisel, Northeast Kansas Enterprise Facilitation Project
Gary Satter, USDA, Northeast Kansas Enterprise Facilitation Project
Jeff Hofaker, Solomon Valley Regional Learning Center, Director, PCED, PCDCF, SVRLC

Others attending:

See Attached List.

Chairperson Brownlee asked the committee for action on:

HB 2435--An act concerning the governor's office; renaming the advisory committee on Hispanic affairs as the Hispanic and Latino American affairs commission and placing such commission within the governor's office; providing for the advisory commission on African-American affairs to be within the governor's office

Chairperson Brownlee stated that she did not know of any changes that need to be made on the bill. She gave a brief explanation of the bill.

Senator Emler moved the bill favorable for passage. Senator Bunten seconded the motion. The motion carried.

Chairperson Brownlee stated that the committee was going to do something unique today in allowing a roundtable discussion of rural economic development issues.

Senator Jordan introduced the speakers and stated that they were all happy to have the opportunity to come before the committee.

Ms. Melson presented the committee with information about Greenwood County. (Attachment 1) She stated that the grassroots approach of the Sirolli Institute has allowed her area to use a model of Enterprise facilitation that works well for them. She stated that currently a challenge for the upcoming entrepreneur who specializes in the production of custom-made horse trailers in her area was the lack of access to capital. She stated that through the rural entrepreneurship committee and enterprise development, she hoped that they would be able to work together to help this individual and others like him.

Chairperson Brownlee asked if the man with the horse trailers had pursued an SBA loan. Ms. Melson stated that he does not have the collateral, and he needs about \$250,000 to get started. She stated that a lot of people in this situation do not have the collateral; the horse trailer producer has a million dollars worth of orders for luxury trailers, but he does not have the working capital.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on March 5, 2004 in Room 123-S of the Capitol.

The committee was provided with an informational sheet entitled, "Building An Entrepreneurial Region in Northeast Kansas: Growing Businesses from the Grassroots." ([Attachment 2](#))

The committee was provided with a packet of information entitled, "Kansas Rural Entrepreneurship Committee: (Kansas Rural Development Council and Enterprise Facilitation Projects)." ([Attachment 3](#))

Mr. Wilson provided the committee with statement regarding rural development and his role as the director of the Husk Boyd National Institute for Rural Development at Kansas State University. ([Attachment 4](#))

Chairperson Brownlee stated that the group had requested more leadership training, but pointed out that training is not something the Legislature can do because the exact needs were unclear. Ms. Melson stated that just last week, her group went to other counties, and many of them wanted to duplicate what we are doing without using Sirolli.

Chairperson Brownlee pointed out that there are four people on the Commerce committee who are on Ways and Means, so they can help guide monies to these issues.

Mr. Wilson stated that the program was targeted to the most rural of rural Kansas; our primary function is to provide leadership training because we see leadership and entrepreneurship going hand in hand. He said that they take the "Greenbay Packers" approach. Although most NFL teams are based in really big cities, Greenbay, Wisconsin grew a franchise and now it is a national team. He stated that there is a parallel with rural economic development, and that principle ought to be applied here too.

Mr. Hofaker provided the committee with a packet of information entitled, "Solomon Valley Regional Learning Center." ([Attachment 5](#))

Mr. Hofaker stated that mentoring is an important element for rural entrepreneurs as an opportunity for them to get involved in existing local businesses. For example, when the downtown jeweler retires, there should be someone to take over. The state can facilitate growth through tax relief for start up businesses and encouraging technology development such as the internet and virtual connections. He used the example of e-Bay as an opportunity for rural businesses to reach metropolitan markets without having to be located there.

Chairperson Brownlee stated that she and Matt Jordan were at a conference and one of the messages is that Kansas ought to be going after the jobs that are going to India. She stated that Kansas-speak is pretty understandable, in many ways, an American on the phone trying to fix their computer with a person on the other end who has a heavy accent is often quite difficult, so it seems like it would be reasonable to make that happen in Kansas rather than having those jobs go abroad.

Following further discussion, Mr. Hofaker stated that in his role in business development, he is paid through a grant, and most of the people he serves are entrepreneurs. He stated that 50% are aspiring entrepreneurs brought to the Center for Entrepreneurship from Wichita State University, and who need help moving from point A to point Z. He briefly outlined the process for the committee.

Chairperson Brownlee thanked the members of the Roundtable and stated that she thinks that committee is on target with where it is going this year, but that it needs the speakers' input. She also asked them to keep in the backs of their minds how we might measure the success of our efforts in the future.

Chairperson Brownlee adjourned the meeting at 9:00 a.m. The next meeting will be at 8:30 a.m. on March 8, 2004 in Room 123-S of the Capitol.