



Legislative Committee

Meeting Agenda

8:00 am, April 29, 2011

Workforce Alliance Administrative Offices
Council Member Jeff Longwell, Chairman

1. **Welcome, Introductions, and Announcements:** *Council Member Jeff Longwell*
2. **Approval of Minutes from March 25, 2011:** *Council Member Jeff Longwell*
Recommended Action: *Approve or modify minutes as needed.*
3. **REAP 2011 Legislative Priorities Update** *Mr. Tom Bruno*
REAP Legislative Liaison Tom Bruno will join via conference call to provide an update on REAP legislative priorities and other issues in the 2011 Kansas Legislative Session.
4. **Kansas Aviation Summit Report:** *Council Member Jeff Longwell*
Governor Brownback held his first Economic Growth summit focused on the aviation industry on April 25, 2011, in Wichita. This major summit brought together in one place more than 160 representatives from the aviation manufacturing and aerospace industries, colleges and universities, and community leaders from the Wichita area to share ideas and plan for the future of this vital industry in Kansas. The Brownback Administration will develop ideas coming from the aviation summit into an action plan for the industry to be implemented later this year. Observations from the summit will be discussed.
5. **Engineering Growth Initiative Event Report:** *Mr. Joe Yager*
Recently, leaders in the Kansas Senate, public university officials and business executives across the State announced a new initiative, the "Engineering Growth Initiative," for strengthening the Kansas economy by investing in engineering education. In an effort to promote and educate local community and business leaders, REAP members and partners were invited to join industry leaders and representatives from several higher education institutions to discuss engineering in Kansas at a media event at the AGCO Communications and Training Center in Hesston. Observations from the event will be shared.
6. **June REAP Meeting – Legislative Engagement Theme Discussion:** *Mayor Kristey Williams*
In an effort to increase participation and dialogue at full REAP Board meetings, the Legislative Committee has been asked to help develop the meeting format for the June 6 meeting.
7. **WIA Funding Update:** *Mr. Joe Yager*
An update on funding for the Workforce Investment Act (WIA) will be provided.
8. **2011 Legislative Committee Regional Tour:** *Mr. Joe Yager*
One of the items discussed during the March Committee meeting was to engage in a regional tour that focused on local assets to help identify potential legislative priorities and increase engagement. Discussion on this issue is requested.
9. **Unscheduled Topics:** *Committee Members*
Committee members are encouraged to provide updates or request discussion on issues that may be relevant to REAP.
10. **Adjourn**

The next REAP Legislative Committee meeting will be at Noon on May 27, 2011.

Legislative Committee
Meeting Minutes – March 25, 2011
Wichita City Hall, 1st Floor Board Room
Council Member Jeff Longwell, Chair

1. Welcome, Introductions and Announcements:

Council Member Jeff Longwell, City of Wichita, opened the meeting; members, staff, and guests introduced themselves.

2. Review of Minutes from the October 22, 2010 REAP Legislative Committee Meeting

Mr. Bob Myers, Newton, moved (Council Member Longwell) to approve the minutes. The motion passed unanimously.

3. Special Legislative Update

Kansas House Appropriations Chair, Representative Marc Rhoades (Newton) addressed the Committee about Kansas Affordable Airfares. Representative Rhoades noted the support from the Governor, however he cautioned that funding will still be challenging. He also noted that since the fact that Kansas Affordable Airfares benefits many other areas of Kansas, including Western Kansas, and there has been good support for the program from businesses that he is confident that the program will eventually be funded. He also noted that it would be beneficial for REAP members to be present more often in Topeka in the future.

4. Kansas Affordable Airfares Update

Mr. Tom Bruno, Bruno & Associates, gave an update on Kansas Affordable Airfares and stated that it did not look like there was any way that a budget bill would be passed by the time the legislature went home. He also discussed how resolutions from local communities and municipalities are still important, especially in the Senate, and that they are needed to show support to individual Senators and thank them for their support.

Mr. Bruno also noted that NIAR funding is facing a challenge on who has control of the funding; through Commerce as the Governor has proposed; or through the Board of Regents. This issue will not be resolved until the veto session.

5. Water Resources Committee Request – WRCP Update

Mr. Dane Baxa, Executive Officer – Water Resources, talked about legislation on water conservation that had lost funding two years ago and was now being re-introduced through new legislation that would add a \$300 application fee for users. The Water Resources Committee felt it was a minimal fee to conserve water rights for this position and that the application fee would make the program self-funding.

After discussion it was decided that the Legislative Committee would write a letter of support for the Water Resources Committee on this issue.

6. WIA Funding Update

Mr. Joe Yager, Chief Executive Officer of REAP, discussed the information included on pages 6-9 of the agenda packet about the federal budget deliberations. He also talked about H.R. 1 that would cause Workforce Alliance to shut their doors starting July 1 of this year. While they could still operate certain programs most of their operations would have no funding. Mr. Yager stated that in Kansas the Workforce Alliance spends the money as it comes in and allocates it to various programs; therefore, while it looks like they have money it already has been promised for the next year. Mr. Yager also noted that Mr. Keith

Lawing of Workforce Alliance knows that some cuts will have to be made but will need to figure out what they can cut and still operate.

Commissioner Unruh discussed the effect this would have on NCAT and how they would not be able to add any more students and that there would be no money for training.

7. 2011 Legislative Committee Meeting Schedule

Council Member Longwell asked for suggestions on how communication with all REAP Members could be increased. Mr. Yager noted that some ideas that had been discussed were rotating meeting locations and times, as well as increased phone conferencing and the potential for video conferencing.

Dr. Flentje discussed how REAP has always weighed in on issues of state investment in the region and has gotten away from that more recently except on the larger items. He would like to see REAP get more involved with state issues (such as the State Fair, State Lakes and State Parks) and highlight them. Council Member Longwell agreed with this idea, especially when working on these issues will not hurt any REAP member and will be advantageous when visiting these communities.

Mr. Yager talked about the idea of a Committee Tour that would go to four locations around the Region and would be framed as a wrap-up session for the State of Kansas. He also noted that the June REAP Meeting would also be a legislative wrap-up.

8. Unscheduled Topics

No unscheduled topics were discussed at this meeting.

9. Adjourn

Having no other business the meeting was adjourned.

REAP Legislative Committee	
<i>Attendance</i>	
3/25/2011	
<i>Name</i>	<i>Jurisdiction</i>
Council Member Jeff Longwell, Chair	City of Wichita
Commissioner Chip Westfall	Harvey County
Mr. Mark Tallman	City of Kechi
Mayor Willis Heck	City of Newton
Mr. Bob Myers	City of Newton
Commissioner Dave Unruh	Sedgwick County
Mr. Dale Goter	City of Wichita
<i>Guests and Staff</i>	
Representative Marc Rhoades	Kansas House District 72
Mr. Tom Bruno (Via Phone)	Bruno & Associates
Mr. John Waltner	Harvey County
Mr. Lunda Asmani	City of Newton
Ms. Diane Longfellow	Wichita Chamber of Commerce
Mr. Allen Bell	City of Wichita
Dr. Ed Flentje	WSU
Mr. Joe Yager	WSU
Mr. Dane Baxa	WSU
Ms. Lorien Showalter	WSU



ANDOVER, ARKANSAS CITY, AUGUSTA, BEL AIRE, BENTLEY, BENTON, BUTLER COUNTY, CHENEY, CLEARWATER, COLWICH, CONWAY SPRINGS, DERBY, EL DORADO, GARDEN PLAIN, GODDARD, HALSTEAD, HARVEY COUNTY, HAYSVILLE, HESSTON, HUTCHINSON, KECHI, KINGMAN COUNTY, MAIZE, MCPHERSON COUNTY, MOUNT HOPE, MULVANE, NEWTON, PARK CITY, RENO COUNTY, ROSE HILL, SEDGWICK, SEDGWICK COUNTY, SUMNER COUNTY, VALLEY CENTER, WELLINGTON, WICHITA

REAP Legislative Committee 2011 Legislative Priorities

Adopted December 13, 2010

Legislative Priorities

- Maintain Kansas Affordable Airfares Program to assure more flight options, more competition for air travel, and affordable airfares for Kansas.
- Advance legislative and administrative action to secure state financial participation in:
 - the Equus Beds Aquifer Storage and Recovery (ASR) Project to preserve the aquifer for agricultural, industrial, and municipal use that is essential to the regional economy.
 - aviation research at the National Institute for Aviation Research at Wichita State University.
 - orthopedic research at the Center of Innovation for Bio Orthopedic Research (CIBOR) at Wichita State University.
- Support a reevaluation of current state water policy including Kansas Water Authority representation; revenue sources and distribution for the state water plan fund; and, the process for adopting the annual state water plan fund budget.
- Support a stronger system of business-driven technical training and education in Kansas including enhanced funding support, better alignment and articulation of education and training programs, and transition programs to better serve adult learners.
- Support federal reauthorization of the Workforce Investment Act of 1998 to include maintaining local control through private sector and employer driven Local Workforce Investment Boards.



Posted on Tue, Apr. 26, 2011

Leaders converge to grow aviation

BY MOLLY McMILLIN
The Wichita Eagle

Gov. Sam Brownback held his first economic summit in Wichita on Monday, focusing on the aviation industry and what Kansas can do to maintain and grow the sector.

The summit — "Kansas Aviation: Soaring into the Future" — was attended by about 160 leaders from large and small aviation companies, the state's colleges and universities, unions, and local and state government.

The governor and aviation leaders gave prepared remarks to open the summit, which was followed by a roundtable discussion of issues affecting the industry and a question-and-answer session.

Brownback asked aviation leaders gathered at the National Center for Aviation Training for input on what the state's role should be.

Many business leaders said that the state must continue to fund research and training, such as the National Institute for Aviation Research and NCAT.

A business needs three things — "people, product and capital" — said Spirit AeroSystems CEO Jeff Turner.

The state must also have a friendly, stable tax environment, business leaders said.

And it must work to get engineers graduating from colleges in Kansas to stay here, they said. A shortage of engineers is a problem.

"We need engineers," Turner said. "We're going global to get it."

Officials also talked about how they receive calls from other states wanting to lure aviation businesses away from Kansas with lucrative incentives.

Some offer free land, buildings, loans with interest rates as low as 1 percent and cash in exchange for jobs, said Lynn Nichols, president of Yingling Aviation.

Kansas doesn't have to offer everything other states do because it's not building an aviation cluster from scratch, Turner said. It already has a strong supply chain and workforce in place.

But it must offer compelling reasons for business to move to or stay in the state.

The state must focus not on the short term, but on how it can grow the industry over the next 10, 20 and 25 years, Turner said.

Cessna Aircraft CEO Jack Pelton offered a suggestion for a tag line that would recruit business to Kansas: "Government getting the heck out of your way."

There are a lot of redundancies in state and federal regulations, he said. Streamlining them would lower costs.

More also should be done to help foreign engineering students take jobs with Wichita companies after graduation, leaders said.

A large portion of engineering graduates are ethnically diverse, but companies have to battle bureaucratic obstacles to hire them.

"There has to be an effort to increase the number of visas to international professionals, Brownback said. "That's where the bottleneck lies."

Eighty percent of Wichita State University engineering undergraduates are domestic students, said WSU College of Engineering dean Zulma Toro-Ramos. However, 75 percent of the engineering master's degree students are international students, while 80 percent of doctorate-level students are international.

They come here for their education, but take that training back home with them, leaders said.

Other ideas included:

- * Incentives to companies using Kansas suppliers.
- * Government presence at trade shows.
- * Trade agreements with the countries where it's difficult to do business.
- * The marketing of Kansas suppliers to the world.
- * Trade missions to other countries, such as China, to promote the sale of aircraft.

Brownback said he will consider whether a trade mission to China would benefit the industry.

Building a relationship with China to make sure it's a consumer of products is important, Pelton said.

China's focus is on "building an industry that replaces us," Pelton said.

In addition to competitive tax policies, Pelton said the state must make sure current tax policies don't go away.

For example, operators who bring their Citations to Wichita for repair and inspections don't pay sales tax on parts or labor.

Brownback said he will look at regulations that could be less intrusive for companies, marketing opportunities and the tax structure.

Most importantly, he said, the state must get out of its "defensive posture in aviation and get on the offensive position."

"We've got all of the assets."

Now, the state must come up with the "message and the tactics" to grow the industry, Brownback said. His administration will develop ideas arising from the summit into an "action plan" for the industry.

The governor will hold additional summits in the future that focus on growing the state's economy and creating jobs.

Pelton said he thinks good things will come from Monday's forum.

"We haven't done anything like this in the state in the 11 years I've been here," he said.

Reach Molly McMillin at 316-269-6708 or mmcmillin@wichitaeagle.com.

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Posted on Tue, Apr. 26, 2011

Backers of bill: State must add engineers

BY RICK PLUMLEE
The Wichita Eagle

HESSTON — Kansas not only needs more engineers to meet industry's needs but also to create more jobs.

That was the message emphasized Monday during a stakeholders' discussion of pending legislation that would establish a fund that would boost engineering programs at Wichita State University, Kansas State University and the University of Kansas.

"This is a jobs bill," said Senate President Steve Morris, R-Hugoton. "It can make a long-term economic difference for the state."

Industry and legislative leaders said that each engineering job creates an additional 1.8 jobs.

The Senate passed a bill that creates the fund last month. As the Legislature returns for a wrapup session this week, the House' Appropriations Committee will take up the bill at 9 a.m. Wednesday.

Meanwhile, supporters of the measure were busy raising support for it and educating the public on what it's about.

Monday, legislators, industry leaders and university officials met at Agco Corp., a manufacturer of agriculture machinery in Hesston. Today, they will hold a similar discussion in Overland Park.

The initiative is a public-private partnership. It builds upon a \$1 million investment proposed by Gov. Sam Brownback's budget for next fiscal year, which begins July 1.

The state's investment would increase to \$4 million in 2013 and \$7 million the next year and each year beyond. That money comes from the state lottery. But it also requires a dollar-for-dollar match from private business.

Industry leaders and legislators indicated meeting that matching amount won't be a problem.

"Not at all," said Tom Hilpert, director of advanced programs and central engineering for Hawker Beechcraft. "This is something we're very interested in."

When Hawker Beechcraft turned down out-of-state suitors late last year to remain in Wichita, Hilpert said a big reason was the commitment from the community and Legislature.

The goal is to increase the number of engineering graduates from WSU, K-State and KU by 60 percent over the next 10 years. Currently the three schools average 875 engineering graduates annually.

Increasing support for the three schools would mean they would increase graduates, who in turn would be more likely to remain in Kansas to work.

"One of the first things we ask (an engineering applicant) is, 'Where do your grandma and grandpa live?'" said Jim Krone, director of structural integrity at Cessna Aircraft.

Deans of the three engineering departments said they would use the fund for a variety of projects, including to help build facilities, attract more faculty and increase scholarships.

KU has reached facility capacity for its engineering students, said Stuart Bell, the department's dean.

Zulma Toro-Ramos, WSU's dean, said the school would use the money to help continue a K-12 program it started three years ago to better prepare students for an engineering degree.

The program buys curriculum that helps teach such disciplines as math and provides instruction for teachers.

"That's our first priority," Toro-Ramos said.

While the funds alone would not be enough to complete most projects, K-State's John English, said they are a good start.

"They wouldn't be possible without this," he said. "The best time to jump ahead is when others are sitting around trying to figure out how to fill the status quo.

"This is aggressive, I know, but we need it."

Industry leaders said the need for more engineers is real, but they frequently have to step outside the state to find them.

Agco hires about 20 each year and has current openings, said David Disberger, Agco's vice president for product engineering in Kansas.

"But to meet that we have to import people," he said. "We do much better (with retention) when they come from the state."

Bryan Grice, operations director for Hospira, a pharmaceutical employer in McPherson, said, "It's not tough to find a job (in engineering). It's tough to fill the job. If we could hire more, we could grow our business faster."

Marc Rhoades, R-Newton and chair of the House's Appropriations Committee, said the fund "sounds promising."

But he wouldn't venture to guess how his committee would vote, or how it would fare if it's heard by the full House.

"It's really late in the process," he said. "We just got it."

In phone interviews with other Appropriations Committee members, there was a general tone of support. The full House might be a different story, they said.

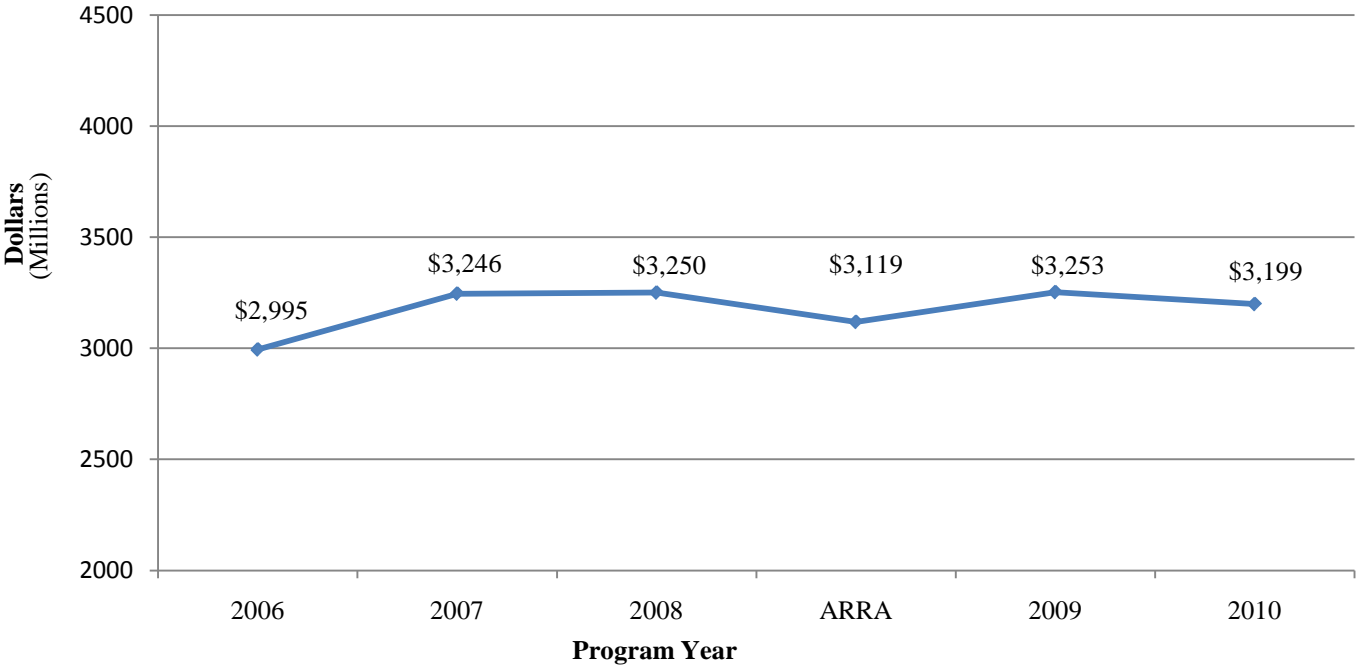
"I wouldn't think it would have any problems" in committee," said JoAnn Pottorff, R-Wichita. "But with the new House, with anything that costs money, there will be some opposition."

Bill Feuerborn, D-Garnett, said, the bill is "one step forward toward jobs. I think (committee) support is favorable. As for the House as a whole, I don't know."

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Federal WIA Funding



Total WIA Funding awarded to Local Area IV

