



KANSASBIO
KANSAS BIOSCIENCE ORGANIZATION

Legislative BIO BUZZ

Week of March 9 - 13, 2009

The Ways & Means subcommittee on KTEC, Kansas Inc, and the Department of Commerce will likely meet today, March 17th, to make known their budget recommendations for these groups. The full Ways & Means committee will commence on Wednesday at their normal time (10:35am, 545N) to hear the subcommittee's budget recommendation and may take action. There is still ongoing discussion about the elimination of KTEC and its programs. Many of our members have benefitted from direct KTEC investments and from the KTEC network. They asked how they can weigh in on this discussion; send an email to let your voice be heard.

Republican Senator from Lindsborg, **Jay Scott Emler** - Chair - Jay.Emler@senate.ks.gov

Republican Senator from Sedgwick, **Carolyn McGinn** - Vice-Chair - Carolyn.McGinn@senate.ks.gov

Republican Senator from Leawood, **John Vratil** - Vice-Chair - John.Vratil@senate.ks.gov

Democrat Senator from Topeka, **Laura Kelly** - Ranking Minority Member - Laura.Kelly@senate.ks.gov

Democrat Senator from Kansas City, **Kelly Kultala** - Member - Kelly.Kultala@senate.ks.gov

Republican Senator from Wichita, **Jean Kurtis Schodorf** - Member - Jean.Schodorf@senate.ks.gov

Democrat Senator from Kinsington, **Janis K Lee** - Member - Janis.Lee@senate.ks.gov

Republican Senator from Andover, **Ty Masterson** - Member - Ty.Masterson@senate.ks.gov

Republican Senator from Topeka, **Vicki L Schmidt** - Member - Vicki.Schmidt@senate.ks.gov

Republican Senator from Clifton, **Mark Taddiken** - Member - Mark.Taddiken@senate.ks.gov

Republican Senator from Stafford, **Ruth Teichman** - Member - Ruth.Teichman@senate.ks.gov

Republican Senator from Thayer, **Dwayne Umbarger** - Member - Dwayne.Umbarger@senate.ks.gov

Republican Senator from Mission Hills, **David Wysong** - Member - David.Wysong@senate.ks.gov

In addition you may also wish to contact Governor Sebelius, as well as Lt. Governor Mark Parkinson.

Mailing Address:
Kansas State Capitol
300 SW 10th Avenue
Topeka, KS 66612

The Bioscience and IT Caucus will meet again this Thursday, March 19, from 11:45am – 1:00pm in Docking Building, Room 785

This week the focus is on Clean Tech with presentations by Jim Stinehelfer from Lawrence and Gary Mason from Wichita. Stinehelfer's company, *HiPer Technology*, manufactures wheels for off road vehicles and small race cars using custom developed carbon fiber composites. It not only replaces aluminum in wheels with composite, but can make computer cases, baseball bats... almost anything aluminum can be recreated with a composite which doesn't rust, corrode, bend or deform. Mason's company, *iSi Recycling Services*, plans to build the first carbon fiber recycling facility in the United States. Carbon Fiber is used to manufacture composites and is quickly replacing steel as the preferred structural component in many industries. iSi will process the waste and sell the recycled Carbon Fiber back on the market.

The Bioscience and IT Caucus now boasts more than 90 members – more than half of the legislature! Caucus meetings are open to all legislators and lunch is provided, however space is limited.

Below please find notes from our lobbyist, Ron Seeber. And may the luck of the Irish be with you!

Week In Review – March 9-14, 2009

The legislature just finished the ninth week of the legislative session. Bills continued to get worked in the committees that were approved by the opposite chamber and agency budgets developed. With the budgetary shortfall, the federal stimulus package, and uncertain state revenue, legislators are struggling to make sufficient cuts with the rules of the game changing continually. The federal stimulus package has certain strings attached and timelines in order to access the monies. However, in some cases, it is unclear exactly what those regulations are and when they will be clarified.

KS Bioscience Authority Funding Bill

The General Government Budget committee had originally scheduled a hearing on HB 2317, a bill that requires the KBA to report its budget through appropriations process and places it under the jurisdiction of the KS Development Finance Authority. After communication with the House Speaker and the Chairman of the committee about the origin of the bill and the detrimental effects this bill would have on the KBA, the hearing was cancelled and probably will not be rescheduled.

KTEC Budget

The Senate Ways and Means Sub Committee reviewed the KTEC and Department Commerce. The subcommittee asked for and received from KTEC a proposal to add an additional 10% cut to the agency. The subcommittee is reviewing the proposal and will continue deliberations this week.

Stimulus Package Reporting

The Senate Ways and Means Committee held a hearing SB 296. This bill would impose requirements on state agencies within the Executive Branch in reporting and requesting monies requested and received from the federal American Economic Recovery and Reinvestment Act of 2009. Agencies officials expressed strong concerns that the State Finance Council approval provisions called for in the bill would jeopardize the monies due to the strict timelines required by the federal law.

Milk Labeling Bill

The House Agriculture Committee amended and approved HB 2295. This bill requires dairy producers who claim that their milk products are derived from hormone free cows to provide affidavits to dairy manufacturers verifying the claim. The Department of Agriculture would be responsible for reviewing all documents related to the claim. The Committee amended the bill to remove language commenting on the validity of statements made about hormones in milk. An additional amendment was made to allow the qualifying label to be in a similar font and size as the production claim.

Ethanol Blend Resolution

Senate Natural Resources Committee heard testimony and passed out favorably SCR 1610, which encourages EPA to look at higher blends of ethanol. KAEP focused on the fact that there is science and data to support E15 and we think that even higher blends will occur in the future. KAEP testified outlining the job creation by ethanol and the benefit of displacing foreign oil. It will now go to the full Senate. Constantine Cotsoradis, Kansas Department of Agriculture and Brad Harrelson, Kansas Farm Bureau also testified in favor of the bill. We hope for Senate action this week. We have assurances from the Lt. Governor (probably soon-to-be Governor) of assistance on this issue.

Bio Fuel Presentation

The House Energy and Utilities Committee received a briefing from Corey Mohn and Mary Tucker with the Kansas Department of Commerce and Dr. Thomas Robb, Abengoa, on the status of biofuels in Kansas. Tucker reviewed the tax credits incentives for biofuel production and investment. She reported that approximately 1.6 billion gallons of ethyl alcohol has been produced in Kansas since 1988. 802 million gallons are eligible for the incentive with a total distribution of \$62 million. Currently there are 7 producers that are receiving incentives with 5 producers reaching maximum payout. In 2008, there was 300 million gallons produced. Of which, 75 million was eligible for the incentive and there was a total 2008 distribution of 5.2 million. Also, when reviewing incentives for retailers who sell and dispense renewable fuels, the department said that they have received few applications to receive the incentive and that the Governor recommended no funding for fiscal year 2009 and 2010. Mohn reviewed the existing ethanol facilities and those that are under construction and the two idle in the state. He commented that 25% local crop production is utilized in biofuel production. Concerning blender pumps, Mohn related said that state has a goal of 100 blender pumps within the state in a year. He reported that currently there are ten operating. He referenced Growth Energy's goal of raising the E-10 limit to E-15 or E-20. Mohn also put in a plug for ICM and Abengoa on their advancements in bio fuel technology and production. Tom Robb, Abengoa, gave a presentation

on the status of the Hugoton Cellulosic ethanol plant. He said that Abengoa is awaiting the completion of the EPA's environmental impact study. Construction is proposed to commence in early 2010, with a 24 month duration.

Investment in Kansas Employment Act

The House Economic Development Committee held a hearing on HB 2358. This bill would create the Investment in Kansas Employment Act. The bill specifically excludes bioscience companies in part to the benefits provided for in the KS Economic Growth Act of 2004. The bill would allow eligible businesses that hire new employees at the county average wage rate or higher to be eligible to receive payments equal to 100% of the Kansas withholding taxes paid for new employees for a period of five years. If the business pays 120% of the average county wage, then it would be eligible for payments equal to 50% of the Kansas withholding taxes for such new employees in years six and seven. An eligible business would be required to hire at least ten new employees to qualify in a metropolitan county and two new employees in a non-metropolitan county. The bill defines new employee simply as someone newly employed by the business. The bill lists the metropolitan counties as Douglas, Johnson, Sedgwick, Shawnee, and Wyandotte. All other counties would be non-metropolitan. The Kansas Chamber and several local chambers supported the bill. The KS Department Revenue opposed citing the estimated \$20 million in lost revenues to the state.

Energy Bill Conference Committee

The House and Senate conferees continued to meet on HB 2014, the comprehensive energy bill that provides for an expansion of the Holcomb power plant and provides regulatory reform within certain state agencies. There is disagreement on the levels of Renewable Fuel Standards and the bill remains in the conference committee. There is a considerable amount of politics being played on this issue with the current Governor's possible departure to Washington and political implications that may follow in her wake.

Coming This Week

This is the tenth week of the legislative session. Bills have all of next week to be approved by committee and must be approved by the second chamber before March 25th. After that deadline, conference committee will need to hammer out the difference between versions of bills approved by each chamber. The end of the regular session is April 4.

See below for the bills being tracked and hearings scheduled this week.

Bill Number and Sponsor	Bill Subject	Current Status	Last Action
SB 13 Anthony Hensley, D-19th	Kansas Bioscience authority; regarding membership on the board	In Senate Federal and State Affairs	01/13/2009 - Senate Referred to Federal and State Affairs
SB 16 Joint Committee on Administrative Rules and Regulations	Pharmacy Act of the State of Kansas; declaring certain acts not to be in violation of said act	On General Orders in House	03/13/2009 - House Committee Report: Be passed by Health and Human Services
H Sub for Sub for SB 23 Senate Ways and Means Committee	Appropriations for the fiscal years ending June 30, 2009, June 30, 2010 and June 30, 2011, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing	Approved by Governor	03/05/2009 - Senate No motion to reconsider; veto sustained
SB 120 Senate Commerce Committee	Kansas Investments in Major Projects and Comprehensive Training; relating to the Secretary of Commerce; authorizing the funding of certain economic development projects	In House Economic Development and Tourism	02/25/2009 - House Scheduled Hearing: Monday, 3/2/2009, 3:30 PM, Rm 711 DSOB
SB 121 Senate Public Health and Welfare Committee	Health care; relating to reform in funding and structure of the federal and state programs	In Senate Public Health and Welfare	02/11/2009 - Senate Scheduled Hearing: Tuesday, 2/17/2009, 1:30 PM, Rm 136-N
SB 202 Mark Taddiken, R-21st	Abortion	In Senate Federal and State Affairs	02/05/2009 - Senate Referred to Federal and State Affairs
SB 223 Senate Ways and Means Committee	Emergency medical services board; subpoena authority	In House Judiciary	03/13/2009 - House Referred to Judiciary

H Sub for SB 238	Abortion; regarding the Woman's Right-to-Know Act	In Conference Committee	03/10/2009 - Senate Acceded; appointed Neufeld, Kiegerl and Loganbill
Senate Judiciary Committee			
SB 244	Economic Revitalization and Reinvestment Act; relating to eligible businesses	In Senate Assessment and Taxation	03/04/2009 - Senate Scheduled Hearing: Thursday, 3/12/2009, 10:30 AM, Rm 535-N
Senate Assessment and Taxation Committee			
SB 248	Controlled substances; creating a statewide electronic logging system for sale of methamphetamine precursor	Passed in Senate	03/12/2009 - Senate Committee of the Whole: Committee Report be adopted; be further amended; be passed as amended; Emergencied to Final Action: Passed as amended; Yeas 37, Nays 3
Senate Ways and Means Committee			
SB 249	Pharmacists; relating to substitution of drug product	In House Health and Human Services	02/20/2009 - House Referred to Health and Human Services
Senate Ways and Means Committee			
SB 250	Workers compensation; relating to benefits	In Senate Commerce	02/10/2009 - Senate Referred to Commerce
Senate Ways and Means Committee			
SB 295	Blind and visually impaired persons; establishing the Motor Vehicle and Safe Mobility Committee; powers and duties thereof	In Senate Transportation	03/03/2009 - Senate Referred to Transportation
Senate Ways and Means Committee			
SB 296	State finance; establishing a process to evaluate and implement federal funding available for state agencies under the federal American Economic Recovery and Reinvestment Act of 2009	In Senate Ways and Means	03/06/2009 - Senate Scheduled Hearing: Wednesday, 3/11/2009, 10:30 AM, Rm 545-N
Senate Ways and Means Committee			
SB 303	Abolishing the Kansas Technology	In Senate Ways	03/06/2009 - Senate

Senate Ways and Means Committee	Enterprise Corporation and Kansas, Inc. and transferring the powers and duties thereof to the Department of Commerce	and Means	Referred to Ways and Means
SB 304 Senate Ways and Means Committee	Making and concerning appropriations for the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, June 30, 2012 and June 30, 2013, and June 30, 2014, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing	In Senate Ways and Means	03/10/2009 - Senate Referred to Ways and Means
SB 308 Senate Ways and Means Committee	State agencies; relating to the administrative fee charged to agencies	In Senate Ways and Means	03/11/2009 - Senate Scheduled Hearing: Tuesday, 3/17/2009, 10:30 AM, Rm 545-N
SB 309 Senate Ways and Means Committee	Making and concerning appropriations for the fiscal years ending June 30, 2010, and June 30, 2011, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing	In Senate Ways and Means	03/10/2009 - Senate Referred to Ways and Means
SB 311 Senate Ways and Means Committee	State budget; state general fund and special revenue fund expenditures, transfers and ending balance requirements; reduction and allotment procedures; economic impact statements and fiscal note updates for legislation	In Senate Ways and Means	03/12/2009 - Senate Referred to Ways and Means
SCR 1610 Mark Taddiken, R-21st	Urging the Environmental Protection Agency to authorize use of higher blends of ethanol in non-flex fuel vehicles	On General Orders in Senate	03/12/2009 - Senate Committee Report: Be adopted by Natural Resources
SCR 1610 Mark Taddiken, R-21st	Urging the Environmental Protection Agency to authorize use of higher blends of ethanol in non-flex fuel vehicles	On General Orders in Senate	03/12/2009 - Senate Committee Report: Be adopted by Natural Resources

HB 2011	Abortion	On General Orders in House	02/27/2009 - House Committee Report: Be passed by Federal and State Affairs
Arlen H. Siegfried, R-15th			
HB 2022	Making and concerning appropriations for the fiscal years ending June 30, 2009, and June 30, 2010, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing	In House Appropriations	01/21/2009 - House Scheduled Hearings: Monday, 1/26/2009, 9:00 AM, Rm 143-N; Tuesday, 1/27/2009, 9:00 AM, Rm 143-N; Wednesday, 1/28/2009, 9:00 AM, Rm 143-N; Thursday, 1/29/2009, 9:00 AM, Rm 143-N; Friday, 1/30/2009, 9:00 AM, Rm 143-N
House Appropriations Committee			
HB 2076	Abortion; regarding the Woman's Right-to-know Act	In Senate Federal and State Affairs	02/04/2009 - House Scheduled Hearing: Wednesday, 2/11/2009, 1:30 PM, Rm 143-N
Lance Kinzer, R-14th			
Sub for HB 2081	Milk and dairy products; relating to certain fees fixed by the Secretary of Agriculture	Stricken from Calendar	02/24/2009 - House Stricken from Calendar, House Rule 1507
House Agriculture and Natural Resources Committee			
HB 2093	Making and concerning appropriations for the fiscal years ending June 30, 2009, June 30, 2010 and June 30, 2011, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing	In House Appropriations	01/28/2009 - House Referred to Appropriations
House Appropriations Committee			
HB 2094	Making and concerning appropriations for the fiscal years ending June 30, 2010, June 30, 2011, June 30, 2012, June 30, 2013, and June 30, 2014, for the Department on Aging, the Department of Social and Rehabilitation Services and the Department of Health and Environment – Division of Health;	In House Aging and Long-Term Care	02/18/2009 - House Scheduled Hearings: Tuesday, 3/3/2009, 3:30 PM, Rm 711 DSOB; Thursday, 3/5/2009, 3:30 PM, Rm 711 DSOB
House Appropriations Committee			

authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing

HB 2166	Abortion; relating to late-term and partial birth abortion	On General Orders in House	02/27/2009 - House Committee Report: Be passed by Federal and State Affairs
Steve Huebert, R-90th			
HB 2236	Crimes, criminal procedure and punishments; concerning drug crimes; recodification of certain statutes	In Senate Judiciary	03/04/2009 - Senate Scheduled Hearing: Friday, 3/13/2009, 9:30 AM, Rm 545-N
House Corrections and Juvenile Justice Committee			
HB 2295	Milk and dairy products; relating to labels for such products	On General Orders in House	03/13/2009 - House Committee Report: Be passed as amended by Agriculture and Natural Resources
House Taxation Committee			
HB 2317	State government; requiring certain agencies to submit a budget	In House General Government Budget	03/04/2009 - House Scheduled Hearing: Tuesday, 3/10/2009, 1:30 PM, Rm 531-N
House Government Efficiency and Fiscal Oversight Committee			
HB 2358	Enacting the Investment in Kansas Employment Act	In House Economic Development and Tourism	03/04/2009 - House Scheduled Hearing: Monday, 3/9/2009, 3:30 PM, Rm 711 DSOB
House Taxation Committee			
HB 2360	State budget; relating to preparation and submission of budget estimates and recommendations by the Governor to the Legislature	In House General Government Budget	03/12/2009 - House Scheduled Hearing: Monday, 3/16/2009, 1:30 PM, Rm 531-N
House Appropriations Committee			
HB 2361	State finance; establishing a process to evaluate and implement federal funding available for state agencies under the federal American Economic Recovery and	In House Appropriations	03/04/2009 - House Referred to Appropriations
House Appropriations Committee			

Reinvestment Act of 2009

HB 2365	Creating the Promoting Employment Across Kansas Act	In House Taxation	03/11/2009 - House Scheduled Hearing: Monday, 3/16/2009, 9:00 AM, Rm 535-N
House Taxation Committee			