



KANSASBIO
KANSAS BIOSCIENCE ORGANIZATION

Legislative BIO BUZZ

Week of February 23 – 27, 2009

Hello, KansasBio Legislative Stakeholders~

The biggest news is Kansas Governor Kathleen Sebelius being named as Secretary of HHS. We recently submitted a letter to the White House regarding Sebelius' appointment, citing many of her contributions to the industry here in Kansas. This news is huge for our bioscience industry throughout the region and throughout the country. I am sure you will be hearing from friends near and far in the next day or two. As you speak with them, please draw upon the facts outlined in our letter:

The State of Kansas and the KC region have a vested interest in bioscience research and will benefit from Kansas Governor Kathleen Sebelius being appointed as the nation's new Secretary of Health & Human Services (HHS).

At the helm of HHS, Sebelius will oversee a \$700 billion budget, including oversight of the Federal Drug Administration (FDA) and the National Institute of Health (NIH), two critical agencies to the bioscience industry.

Next to private sector industry, the NIH is the second largest investor in research and programs that provide commercialization funding for bioscience companies and research institutions. It is no secret in the bioscience industry that having the right leader in place at HHS could shepherd increased funding for this critical industry and remove bottlenecks at the FDA, thus allowing new drugs to be developed faster and food safety issues to be addressed.

Governor Sebelius recognizes how our local bioscience industry impacts human health globally:

- *She knows that Kansas companies have helped develop more than 50 of the world's top drugs.*
- *She knows our region is in the Top 5 nationally for concentration of clinical research activity.*
- *She knows that drug development and clinical trials here have more than doubled in the past four years.*
- *She knows that we are leaders in developing treatments for human and animal health applications.*
- *As a result of this, she also knows that our medical laboratory and testing subsector is growing faster than anywhere else in the nation.*
- *She applauded the formation of the National Drug Development Accelerator (www.nddaccelerator.com), which touts the work of more than 100 establishments across the state and throughout the region that provide drug development and clinical research services.*

Even in light of Kansas' current budget situation, Sebelius' commitment to the bioscience industry remains strong. She recognizes that infusing this critical industry with investment capital in academic research and private-sector-driven programs accelerates advances in healthcare while growing the economy.

Sebelius' unwavering support of the bioscience industry in Kansas has amassed significant wins for our region, and we can reasonably expect her continued support in Washington, D.C.

#1 - In 2004, she signed the Kansas Economic Growth Act which created one of the nation's largest state-sponsored investment funds solely dedicated to our burgeoning bioscience industry.

#2 - KEGA created the Kansas Bioscience Authority which, with Sebelius' unyielding support, leads the state's bioscience investment portfolio. Four short years later, Kansas is now recognized as a Top 10 state in biotechnology alongside California, Illinois and Massachusetts.

#3 - She put partisanship aside to lure the National Bio and Agro-Defense Facility (NBAF), a \$650 million federal research facility, to Manhattan. She solicited support from more than a dozen other governors, Republicans and Democrats. She named a Republican, U.S. Senator Pat Roberts, as the Honorary Chairman and encouraged state Republican and Democratic leadership to introduce and pass a \$105 million NBAF bond. She understands how the NBAF will benefit all Americans, not just Kansans.

#4 - Sebelius has long endorsed the quest for National Cancer Institute (NCI) comprehensive cancer center designation at the University of Kansas. As head of HHS, Sebelius will oversee the agency (NIH) that provides substantial funding for NCI designated cancer centers. The NIH also has programs which fund research in drug discovery and clinical research, both of which are integral components of the KU Cancer Center plan and both support the bioscience industry as a whole.

Secretary of HHS is the perfect job for Kathleen Sebelius. Her commitment to our industry, paired with her knowledge of our region's assets and her clear track record of bipartisanship, should give the entire bioscience community hope.

From our Lobbyist Ron Seeber:

Week in Review

It was a relatively light week at the Kansas Legislature. The previous week was a legislative date at which all bills that were not exempt from deadlines must have been approved by their respective chamber of origin. The legislature took a brief break and then held a number of briefings and hearings on various bills. Floor action was light with the exception of the House debate on the energy bill.

Energy Bill

The House debated and approved HB 2014 by a vote of 79-44. This bill clarifies the air permitting process and ensures that all Kansas businesses be treated fairly by the state government. The bill establishes state policy that the regulation of air quality is in accordance with the federal Clean Air Act. Support for the bill stems from the Governor's denial last year of the of an air quality permit for the Holcomb coal fire power plant expansion last year and subsequent vetoes of legislation to rectify her decision. She has promised to veto HB 2014 in its current form and, in order to override a veto, the House must muster 84 for votes. The bill also includes a renewable resources component. The bill requires 20% of Kansas energy to be generated by Kansas Utilities to be from renewable resources by 2020. Renewable resources is defined by including biomass, solar, wind, photovoltaic, hydropower, geothermal, and landfill gases. The Senate Utilities plans to approve its version of an energy bill this week.

Milk Labeling Bill

The House Agriculture Committee held a hearing on 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. Also, each milk product label must contain the FDA statement that no difference exists between milk derived from hormone-supplemented and non-hormone-supplemented cows. The Kansas Agribusiness Retailers Association testified in support of the bill citing the need for sound science with regard to milk and dairy labeling. Others testifying in support included the KS Dairy Association and KS Farm Bureau. Opponents included the Sierra Club and KS Farmers Union. No action was taken on the bill

Department of Commerce, KTEC and KS Inc. Budget

The House Appropriations Committee reviewed the House Agriculture Budget Committee's report on the Department of Commerce, KTEC and KS Inc Budget. The Subcommittee report recommends that the KTEC budget be cut an additional 10% (in addition to 6.5% cut implemented in the 2009 rescission bill) and a 15% cut to the EDIF portion of the Department of Commerce. The Governor recommended that KTEC and KS Inc be rolled into the Department of Commerce effectively killing the agencies. Representative Tom Sawyer (D-Wichita) noted that even with proposed budget cuts to Commerce, KTEC, and KS Inc, there was a \$1.6 million increase from the Governor's recommendation. He made the motion (and the Committee agreed) to defer consideration on the all three budgets until the wrap up "omnibus" budget. The Agriculture Budget Committee was charged with presenting to the full committee a revised revenue neutral budget for the three agencies. The omnibus budget is reviewed during the veto session which will commence two weeks after the end of the regular session.

KTEC, KBA and Department of Commerce presentation to the Vision 2020 Committee

The Vision 2020 Committee requested that the KS Bioscience Authority and KTEC make presentation on the role they will play for investment in Kansas for the next several decades. Tom Thorton, KBA, explained that there are several key components that the KBA is focusing on for economic future of Kansas. They include further development and investment resulting from the NBAF award, pharmaceutical clinical research and development, and bioenergy advancements. He emphasized the tools already exist to make Kansas a national and world leader in all of those areas. Tracy Taylor cited strides in (and potential for) KTEC's involvement in assisting companies citing the example of investing in clean air and energy technology endeavors. He also elaborated on the strides KTEC assisted companies are making in the development of more energy efficient combustion engines and how those technologies will be utilized by the Wichita based aircraft industry. Secretary of Commerce Dave Kerr testified that biofuels, animal, plant, and human health science development will play a key role in the future of Kansas. He did however caution the committee that our state's biggest challenge is and will remain the development of an able and adequate workforce.

Coming this week

The Committees will hold hearings on many of the bill approved by the opposite chamber and budget committees will continue to review agency cuts and make recommendations for the 2010 fiscal year. The budgets have been altered from their original form due to the influx of federal money expected from President Obama's stimulus package.

Bill Tracker report:

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	In House Health and Human Services	02/12/2009 - House Referred to 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	Approved by Governor	02/17/2009 Approved by Governor Kathleen Sebelius except line-item veto: Sec 37(t), Sec 53(a)(b), Sec 66(e), Sec

	limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing		86(b)(h)
SB 120	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
Senate Commerce Committee			
SB 121	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
Senate Public Health and Welfare Committee			
SB 202	Abortion	In Senate Federal and State Affairs	02/05/2009 - Senate Referred to Federal and State Affairs
Mark Taddiken, R-21st			
SB 223	Emergency medical services board; subpoena authority	In Senate Federal and State Affairs	02/18/2009 - Senate Scheduled Hearing: Thursday, 2/26/2009, 10:30 AM, Rm 136-N
Senate Ways and Means Committee			
H Sub for SB 238	Abortion; regarding the Woman's Right-to-Know Act	On General Orders in House	02/27/2009 - House Committee Report: Substitute be passed by Federal and State Affairs
Senate Judiciary Committee			
SB 248	Controlled substances; creating a statewide electronic logging system for sale of methamphetamine precursor	In Senate Public Health and Welfare	02/18/2009 - Senate Scheduled Hearing (cont): Wednesday, 2/25/2009, 1:30 PM, Rm 136-N
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	02/10/2009 - Senate

Senate Ways and Means Committee		Commerce	Referred to Commerce
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,	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,
House Appropriations Committee			

the Department of Social and Rehabilitation Services and the Department of Health and Environment – Division of Health; 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

3:30 PM, Rm 711 DSOB

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	02/20/2009 - Senate Referred to Judiciary
House Corrections and Juvenile Justice Committee			
HB 2295	Milk and dairy products; relating to labels for such products	In House Agriculture and Natural Resources	02/19/2009 - House Scheduled Hearing: Thursday, 2/26/2009, 3:30 PM, Rm 783 DSOB
House Taxation Committee			
HB 2317	State government; requiring certain agencies to submit a budget	In House General Government Budget	02/09/2009 - House Referred to General Government Budget
House Government Efficiency and Fiscal Oversight Committee			