

## **Kansas Economic Growth Act**

---

**For Immediate Release:**  
January 27, 2004

**For Information Contact:**  
Janie Rutherford (785)296-6833  
Jeff Glendening (785)296-1752

### **Roadmap for Kansas Economic Growth Revealed**

**TOPEKA** - Republican senators and representatives, led by Sen. Nick Jordan (R-Shawnee) and Rep. Kenny Wilk (R-Lansing) unveiled a plan today that will guide the state of Kansas to new economic growth.

"The Kansas Economic Growth Act is an innovative and visionary piece of legislation aimed directly at moving Kansas into a new economy," stated Speaker Doug Mays. "Kansans are eager for a new direction for their economy, and we believe this measure provides exactly that."

"We want to stake out a new future for Kansans through entrepreneurship. Kansas communities can become thriving entrepreneurial centers with the right support and can significantly contribute to a higher quality of life for its residents," said Sen. Nick Jordan.

"We fully expect this initiative to generate more than 20,000 bioscience company and research institution jobs and have a multi-billion dollar economic impact in Kansas," stated Rep. Kenny Wilk. "The bioscience industry is truly the new frontier. The pioneer spirit that made Kansas a leader in industries such as agriculture and aviation will guide us to blaze a trail in the biosciences."

"Mainstays of the Kansas economy such as agriculture, aviation manufacturing and oil and gas products, have been under tremendous stress for several years. Our economy has lost thousands of jobs that may never return," said Senate President Dave Kerr. "We have come to a fork in the road, and it is imperative that we make the right choices to move rapidly into the next economy. Entrepreneurship and bioscience are the right roads for Kansas' future."

The Bioscience portion of the Kansas Economic Growth Act will be introduced in the House Economic Development Committee and the Entrepreneurial measure will be introduced in the Senate Commerce Committee.

Outlines of each plan are attached.

**-MORE-**

# Kansas Economic Growth Act

---

## Kansas Entrepreneurial Initiative

### *Growing Our Own Jobs*

#### BACKGROUND

The entrepreneurial spirit of the early Kansas pioneers survives today in all corners of Kansas from our rural to metropolitan communities. It is the core of our economic system, but requires focused attention to ensure that entrepreneurial ventures grow to be sustainable contributors to the Kansas economy.

#### National Entrepreneurship...*Entrepreneurs Create Jobs*

- New and smaller firms contributed 65-70 percent of the 27 million net new jobs created during the 15-year period from 1980 to 1995.
- Entrepreneurial companies typically experience the fastest growth rates and thus create two-thirds of all new jobs, which helps offset the 10 percent of jobs lost annually among large firms due to closure and contraction.
- Seventy percent of economic growth is attributed to entrepreneurial activity.
- Approximately 2 million individuals start a self-employment venture annually.

#### Kansas Entrepreneurship...*Our Entrepreneurs Need Our Support*

- Kansas ranks 38<sup>th</sup> in the nation in new firm formation as a percentage of the total firms in the state of Kansas.
- Kansas' economy is expected to experience modest growth in 2004 while the nation experiences a significant rebound.
- Total seed capital raised in Kansas since 1995 represents less than 0.9 of 1 percent of the \$13.6 billion in seed capital raised in the United States.
- Kansas ranks 32<sup>nd</sup> in the nation on total venture capital invested in the state of Kansas per \$1,000 of the Kansas Gross State Product.

#### ENTREPRENEURSHIP ROADMAP HIGHLIGHTS

The Kansas Center for Entrepreneurship will work with all entrepreneur organizations throughout the state to create policies to foster entrepreneurship in Kansas, provide a resource center and clearinghouse (including an 1-800 number and Web site), and oversee collaboration among federal, state, and local economic development and entrepreneurial assistance organizations. The center will manage the Kansas Community Entrepreneurship Fund.

The Kansas Community Entrepreneurship Fund will provide grants to local and regional community seed capital and economic development agencies to assist in providing seed funding for qualified entrepreneurs. The state of Kansas via this legislation will make the initial contribution to the fund that will be matched by federal, foundation, corporate, and other individual sources through donations and grants.

The Kansas Downtown Redevelopment Act will encourage our entrepreneurs to locate their businesses and invest in their local communities. Cities will apply to be designated a downtown redevelopment area, whereby abatement of real property tax increments will be available for properties that have undergone improvements.

The Enterprise Facilitation Program will support the expansion of the Enterprise Facilitation Boards in the state that ensure existing community boards can provide continued support for local, rural entrepreneurs.

The Angel Investment Tax Credit Program will provide tax incentives for our successful business persons not only to invest in Kansas start-ups, but also to serve as advisors for such companies. Such credit would allow an investor to utilize 50 percent of a qualifying investment as a dollar-for-dollar credit to reduce Kansas income tax owed by the investor. Investors will be from throughout Kansas and will come from a variety of industry backgrounds.

#### ESTIMATED ENTREPRENEURSHIP BUDGET

The proposed Kansas Entrepreneurial Initiative will require \$3.5 million to cover operating costs for the Center and the initial investment in the Kansas Community Entrepreneurship Fund. Additional funds for the Enterprise Facilitation Program will need to be identified.

- MORE -

# Kansas Economic Growth Act

## Kansas Bioscience Initiative *Economic Growth through Discovery & Innovation*

### BACKGROUND

The "Bio-Century" is here and the race for the "Bio-Economy" is on. Kansas is poised to take advantage of our homegrown strengths in the biosciences to be a part of this revolution, but such a commitment is going to take a significant investment by the state to recruit the best and the brightest people to Kansas and put them in a technologically rich environment where the products of their bioscience-related research can be turned into jobs.

### National Biosciences

- The bioscience industry as a whole is experiencing exponential growth with the biotechnology industry growing at roughly 12 percent per year and the pharmaceutical industry growing at more than 6 percent per year.
- The U.S. Federal Reserve and other sources estimate that the biosciences will make up 15 to 18 percent of our economy during the next 20 years.
- The bioscience industry invests heavily in research and development, spending an estimated \$8 billion more than the National Institutes of Health's annual research budget.
- Numerous states are staking their claims on the future of the bioscience industry by dedicating hundreds of millions of state dollars to drive research and commercialization in their states including Georgia (\$350M), Wisconsin (\$317M), Texas (\$850M), Ohio (\$1.6B), Missouri (\$190M), and Washington (\$750M).

### Kansas Biosciences

- More than 20,000 jobs in Kansas are associated with the state's bioscience companies and research universities.
- Kansas is home to more than 160 bioscience companies employing 11,000 to 13,000 people.
- Kansas universities employ approximately 8,500 bioscience researchers and related staff.
- Kansas is one of the few states to house strengths across numerous bioscience areas (human, animal, plant, industrial/environmental). Our statewide bioscience strengths represent a number of niches including biomedical research, manufacturing of drugs, biological materials, and medical supplies, animal health, plant biotechnology, and biomaterials.
- Kansas receives \$140 million in bioscience federally supported research expenditures and has only two National Academy of Science (NAS) members, whereas states like Missouri have 36 NAS members.
- Kansas ranks 41<sup>st</sup> in federal research and development dollars per \$1,000 per gross state product at \$0.24.
- The Kansas City metropolitan area's commitment to the biosciences has brought national attention to our state.
- Close proximity to the Stowers Institute for Medical Research in Kansas City is a strong attractor for world-class scholars interested in conducting research at Kansas universities. As the Stowers Institute prepares to build its Phase II campus of 1 million square feet that will employ more than 900 people, Kansas' commitment to the biosciences may make the difference in whether the new Stowers campus is placed in the region.

### BIOSCIENCE ROADMAP HIGHLIGHTS

#### Research

The Kansas Bioscience Authority will be an independent public authority of the state formed with the goal of recruiting 25 eminent and 35 rising star scholars to be associated with the state's universities, fund the development of the necessary lab space and equipment to conduct superior research in the biosciences, and drive technology transfer and the commercialization of bioscience discoveries.

The Collaborative Research Incentive Programs include the *Kansas Bioscience Research Matching Funds Program*, which will provide matching funds for federal research grants, and the *Kansas Bioscience Research and Development Voucher Program*, which will encourage Kansas-based bioscience companies to engage in joint research projects in partnership with Kansas universities.

The Bioscience Research Facilities Program will fund the construction and ongoing maintenance of bioscience research facilities at and in association with Kansas universities with a goal of adding enough state-of-the-art bioscience research space to support the addition of the eminent and rising star scholars over 10 years.

-MORE-

# Kansas Economic Growth Act

---

## Kansas Bioscience Initiative, cont.

### Commercialization

The **Technology Transfer Program** will increase the number of technology transfer agents and patent lawyers working directly with researchers to identify technology with commercial potential and ensure that patents are filed and moved through the incubation stage.

The **Business Assistance and Acceleration Program** will ensure that start-up companies have the right assistance and wet labs facilities to bring their businesses through the incubation period. In addition, an Executive Entrepreneurs Program will recruit serial entrepreneurs to work with start-up companies to ensure their success.

The **Bioscience Net Operative Loss Program** will provide the opportunity for bioscience companies to sell their net operating losses to certain qualified taxpayers, which will allow bioscience companies to receive cash and the purchaser to receive the benefit of a loss, which could be used to decrease future tax liability.

The **Bioscience Seed Fund** will provide early-stage funding for Kansas bioscience companies in the proof-of-concept and product development states.

The **Patent Donation Attraction Program** will drive the short-term strategy for start-up company creation by identifying patents (e.g., orphan drugs and bioscience technologies) with commercial potential that are likely candidates for corporate patent donations.

The **Bioscience Tax Investment Program** will provide incentives to bioscience companies to expand and locate facilities in Kansas by creating Bioscience Development Districts in which incremental tax increase in property and sales tax generated by the development and construction of new facilities to perform bioscience research, development, and commercialization will be collected and reinvested into bioscience research.

The **Emerging Industry Investment Program** provides a funding source for the 10-year bioscience roadmap that allocates funding for the investment based on the growth of the state's bioscience industry and research institutions. The incremental tax revenue growth from the biosciences is expected to fund the estimated \$500 million budget in approximately 12 years.

### **ESTIMATED BIOSCIENCE BUDGET**

The proposed Kansas Bioscience Initiative will require an estimated \$500 million budget to cover the research and commercialization efforts.

###

NEWS FROM THE LAWRENCE JOURNAL-WORLD • 6NEWS LAWRENCE • WORLD ONLINE

**LJWORLD.COM**  
LAWRENCE, KANSASThe News Center  
340 New Hampshire St.

Current

Now: Clear  
Today: Bright  
3

Real Estate | Apartments | Jobs | Coupons | Restaurant Guide | Movies | Lawrence Guide | Classifieds | Subscribe

« Home

Services

Classifieds

Current Ads

Subscribe Online

Breaking news e-mail

Wireless editions

Search / Archives

Submit news

Online store

Customer service

News

Local News

Crime/Fire/Courts

Obituaries

Kansas Legislature

State/Regional

Business

KU News

Haskell News

School News

Election 2003

Today's Photos

Health

Births

Living

Society

Nation/World

Weather

Corrections

Sports

Sports

Jayhawks

Haskell

Free State

Lawrence High

Entertainment

Arts &amp; Entertainment

Comics

Movies

Music Calendar

Travel

Web cams

Opinion

Columnists



## Kansas Legislature 2004

Get continually updated legislative coverage from the Journal-World sent to your e-mail box or cell phone.

Discuss  
StoryEmail  
StoryPrinter  
FriendlyEmail  
Editor

## Lawmakers present vision of biosciences as economic pillar

By Scott Rothschild, Journal-World  
WEDNESDAY, JANUARY 21, 2004**TOPEKA — Two northeast Kansas legislators said Tuesday that bioscience research could become as important to the state's economy as agriculture, aviation or oil and gas.**

"It is indeed our objective to grow the Kansas economy and to grow jobs," state Rep. Kenny Wilk, R-Lansing, told the Senate Commerce Committee. "We've got an opportunity to make the future for the next generation."

Wilk and state Sen. Nick Jordan, R-Shawnee, unveiled a plan designed to reap federal grants and tax dollars for research into medicines and genetics and turn that investment into commercial products that will boost the economy.

Committee members appeared interested in the proposal but said they wanted more details about how much it would cost.

Wilk and Jordan said they were nailing down final estimates and could report back to the committee in the next week or two.

"It's exciting. It will be neat to see it develop this session," said Commerce Chairwoman Karin Brownlee, R-Olathe.

One part of the proposal, called the Emerging Industry Investment Act, would capture tax dollars above a certain limit from bioscience research firms and plow that money back into research efforts. That would provide an incentive for researchers to produce profits on their work, Wilk said. Already there are 160 bioscience companies employing 20,000 people in Kansas, he said.

advertisement

State

Sunday

Concea

High

Sc

Sc

Life scie

D

Get

Cell phor

Your

F

S

F

Mi

Legislator ph

Senate E-r

House E-r

Committees

Other help

Ke

Legislati

Legisla

Ful

Single

F

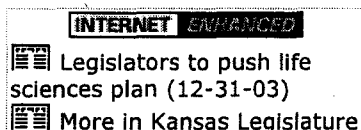
District m

[Letters to the Editor](#)
[Take a stand](#)
[Reader reaction](#)
[Miscellaneous](#)
[Order photo reprints](#)
[Tour the News Center](#)
[Digitaljournalist.org: A look at the J-W](#)

Another part of the plan would establish a research authority to help transform research and development at Kansas University and other research plants into patents and products.

Wilk said universities, in general, "have done a poor job of commercializing intellectual property."

A third provision would establish a Kansas Center for Entrepreneurship, which would provide state funds and tax credits to investors to help new businesses. It would also provide expertise to people wanting to start businesses in Kansas.



For example, the center could help farmers develop agricultural products for drug manufacturers, Jordan said.

"We want to make Kansas a better place to grow a business in," he said.

Jordan said the effort could work in partnership with the Stowers Institute for Medical Research in Kansas City, Mo., but the plan was not specifically to lure expansion of that facility to the Kansas side of the state line.

"This can happen without Stowers coming to Kansas," Jordan said; although, Wilk added that Kansas should recognize the importance of the Stowers Institute, which conducts genetic research to provide treatment of diseases.

"Jim Stowers has decided to change the world," Wilk said referring to the research organization's founder.

Wilk said nearly half of all federal research grants were going to bioscience projects and that Kansas wasn't getting its fair share.

"Can we compete, and can we win? Absolutely, we can compete, and absolutely, we can win," Wilk said.

[More in State/Regional](#)  
[More in Eco Devo](#)  
[More in Kansas Legislature](#)

[Front page](#)

**News Center :** JOURNAL-WORLD WORLD ONLINE 6 NEWS

Copyright © 2004 The Lawrence Journal-World. All rights reserved.

[Contact the Web staff](#)

Please read our [Privacy Policy](#).

[Contacts](#) / [Advertise with us](#) / [About us](#) / [Feedback](#)

[State](#)

2

2

2

2

2

[Salaries for  
Legislature, St  
Education, &  
Officers](#)

5

[Get to know o](#)
[Gover](#)
[How a bill i](#)
[Legisla](#)
[Exec](#)
[Legisl](#)
[Ju](#)
[Touring the  
Govern](#)
[Lobby](#)
[Lobbyists](#)



Power Search

GO

Advanced Search

Quick Hits

- ▶ Home
- ▶ Archives
- ▶ Classifieds
- ▶ Contact us
- ▶ GorillaAutos.com
- ▶ Headlines
- ▶ Movie Listings
- ▶ Real Estate
- ▶ Subscribe to The Morning Sun
- ▶ Sunday Magazine
- ▶ TV Listings

News

- ▶ Agriculture
- ▶ Business
- ▶ Entertainment
- ▶ Legislature
- ▶ Lifestyle
- ▶ Local News
- ▶ Obituaries
- ▶ Oddly Enough
- ▶ Opinion
- ▶ Outdoor Guide
- ▶ Picture This
- ▶ PSUGorillas.com
- ▶ Regional News
- ▶ Sports
- ▶ U.S. World
- ▶ Wellness Guide

Sports

- ▶ Big12.net
- ▶ ChiefsZone
- ▶ Golf News
- ▶ CatZone
- ▶ Hawk Zone
- ▶ Prep Zone
- ▶ PSUGorillas.com
- ▶ Royals Zone

Interactive

- ▶ Discussion Board
- ▶ Video Tours
- ▶ Virtual Tours
- ▶ Webguide

Marketplace

- ▶ Classifieds
- ▶ House of the week
- ▶ Money Savers
- ▶ Stocks

Community

## Kansas Legislature

Story last updated at 12:58 a.m. Wednesday, January 21, 2004

### Republican legislators touting biosciences initiative

By JOHN MILBURN

Associated Press Writer

[an error occurred while processing this directive]

TOPEKA - Two Republican legislators are finishing work on a proposal that they say could make Kansas a leader in biosciences and add a new dimension to the state's economy.

Rep. Kenny Wilk and Sen. Nick Jordan have spent more than six months working with legislators, academics and Gov. Kathleen Sebelius' administration to develop the Kansas Economic Growth Act, which legislative leaders expect to be the biggest initiative of the 2004 session.

Jordan, R-Shawnee, and Wilk outlined the package on Tuesday for the Senate Commerce Committee, which Jordan serves as vice chairman. Wilk, R-Lansing, chairs the House Economic Development Committee.

The two lawmakers aren't releasing details yet, but their package could include bonds, tax credits and grants. Their goal is to merge research efforts at state universities with the private sector to create new companies and innovations in Kansas.

"It's a multibillion-dollar impact," Wilk said of the legislation. He noted that Kansas already has 160 biosciences companies, employing 120,000 people.

In 2002, legislators authorized more than \$135 million in bonds for advanced research centers at the University of Kansas, Kansas State University and Wichita State University. Jordan said his and Wilk's package would help turn research into products and innovations in the commercial sector.

"This is the next step in economic development for the state of Kansas," Jordan said.

Construction is under way on the three centers, which will focus on life science, biological science and aviation research.

In North Carolina, research centers at Duke, the University of North Carolina and North Carolina State University have fueled economic growth over the past 50 years. But Wilk said his and Jordan's plan is designed to do more than the North Carolina model.

For example, Jordan said, one part of the plan would establish a pool of money to help entrepreneurs get their ideas off the ground. He noted a comment by Pittsburg entrepreneur Gene Bicknell at a recent meeting that Kansas "could really start something" if it made \$20 million available to new

TopJol

» General openings for carpenters  
 » Alzheimer Kansas City Nursing A S  
 » Alzheimer Kansas City LPNs Our A

View

**City of Pittsburg**  
► **Convention & Visitor's Bureau**  
► **Girard Schools**  
► **Greenbush**  
► **Pittsburg Chamber**  
► **Pittsburg Churches**  
► **Pittsburg Schools**  
► **Pittsburg State University**  
► **PSU Collegio**  
► **Southeast Kansas Envirosource**

businesses.

Jordan said such a fund would be administered by an advisory board, with grants or loans awarded for such projects as opening a grocery store in Cimarron or restaurant in Hoxie. Nebraska has a similar program, Jordan said, with the average grant being about \$7,700.

"You're talking about small businesspeople who are trying to start small businesses," he said.

Other funding for supporting research efforts could be similar to last year's package to help the Boeing Co. compete for work on a new jet. The state agreed to issue up to \$500 million in bonds to support the project, with the bonds to be repaid through income taxes generated by new workers at Boeing.

The bonds weren't issued and Boeing officials later said the program wasn't a factor in their decision to award work to the Wichita plant on the new 7E7 airliner.

Jordan said exact figures about the level of funding needed for research centers aren't known.

"It could be significant, what they need to get started," Jordan said.

On the Net:

Kansas Legislature: <http://www.kslegislature.org>

 [Discuss This Article...](#)

 [Send story to a friend...](#)

©Copyright 2003 The Morning Sun  
Contact The Morning Sun Staff  
[Privacy Policy](#)