

Approved 3/17/87
Date

MINUTES OF THE HOUSE COMMITTEE ON Economic Development

The meeting was called to order by Phil Kline at
Chairperson

3:30 a.m./p.m. on Tuesday, March 3, 1987 in room 423S of the Capitol.

All members were present except: Representatives Baker, Barkis, Campbell and Hoy (all excused).

Committee staff present:

Jim Wilson, Revisor
Lynn Holt, Research
Molly Mulloy, Secretary

Conferees appearing before the committee:

Senator Alicia Salisbury
Sam Brownback, Secretary, Board of Agriculture
Harland Priddle, Secretary, Department of Commerce
Stan Ward, Board of Agriculture
Barbara Wenger, President, Oberlin-Decatur Area Economic Development Corporation
Robert Finkbiner, City Administrator, Oberlin
Leroy Lyon, Director, Mid Kansas Economic Development Commission
Harold Stones, Kansas Bankers Association
Dr. Fred Poston, Kansas Cooperative Extension Service
Ron Schneider, Kansas Rural Center
Paul Fleener, Kansas Farm Bureau
Mary Harper, farmer
Connie Hubbell, State Board of Education

Chairman Kline opened the hearing on H.B. 2528 by introducing Senator Alicia Salisbury, chairman of the Task Force on Business Training of the Legislative Economic Development Commission. Senator Salisbury provided the background on H.B. 2528 and H.B. 2529, stating that both bills had been recommended by the Task Force. She said that H.B. 2528 was important because it addressed the accountability factor. She added that state agencies which carry out vocational training are not satisfied with the present accountability system and standards and said this bill does not change the law, it just formalizes the accountability process. In regard to H.B. 2529, Senator Salisbury observed that it establishes a clearing house for information on educational and vocational training programs in the Department of Commerce.

The first conferee on H.B. 2425 was Rep. Cliff Campbell, chairman of the Agriculture Committee, who spoke in support of the bill. He read a letter from Mrs. Barbara Belcher of Cawker City, KS, who spearheaded the development of a \$10 million lodge at Glen Elder State Park. Ms. Belcher said this bill was very important for rural economic development (See Attachment 1).

Sam Brownback, Secretary of the Board of Agriculture, spoke in favor also, stating that this bill came through the Agriculture Task Force as the #1 priority. He spoke of the difficulties in rural Kansas (see Attachment 2) and said this bill would serve as a one-stop referral service through which rural individuals, businesses, agencies and communities could access relevant information. He noted that the bill is "sunsetted" in 1990, has a fiscal note of \$350,000 and would be in cooperation with Kansas State University. Secretary Brownback concluded by saying that the concept proposed in this bill worked well in the FACTS program and he believes it could work very well with the rural initiatives program.

Secretary of Commerce Harland Priddle spoke in support of the bill, saying the key issue of the rural initiatives bill is the delivery of service. He noted that a research paper by the Department of Commerce entitled "Targeting Direct Rural Development" had been produced as a guidelines on this same issue. He had several concerns with the bill and suggested deleting lines 80-84 because this is a duplication of what the Department of Commerce does already. He noted that the Department of Commerce delivers services in many of the areas in the bill and said the Agriculture Task Force was split on whether to have the Department of Commerce or the Board of Agriculture

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT,
 room 423S, Statehouse, at 3:30 a.m./p.m. on Tuesday, March 3, 1987

administer the program. He said that H.B. 2425 highlights the need to tie a string around rural initiatives and rural support in one package (Attachment 3).

Stan Ward, head of the FACTS program in the Board of Agriculture, spoke in support of the bill, saying he sees a great need for the rural initiatives program. Working with the cooperative extension services, the rural initiatives program would serve as a catalyst. He stated that FACTS gets many calls now from individuals, from chambers of commerce, small businesses, banks etcetera, but that his staff only had time for helping farmers. He added that while FACTS has no time to address the needs of businesses and rural communities now, this bill would provide that help. He suggested deleting the words "direct assistance" on line 81 of the bill.

Barbara Wender and Bob Finkbinder of Oberlin, KS next testified in support of the bill (Attachment 4). They stated that it would help entrepreneurs in the rural areas by addressing the communication gap between the universities, state agencies and rural Kansas.

The next conferee was Mr. Leroy Lyon, director of the Mid Kansas Economic Development Commission serving Barton County. Mr. Lyon said that H.B. 2425 will help economic staff out in the communities, will provide a central clearinghouse for information and will coordinate that information for people out in the counties. He noted that the bill calls on Kansas State University personnel to work with the county extension specialists, and questions whether the extension agents can add these new responsibilities to what they're doing now. He said he supports the bill in general but sees the following two deficiencies: no attorney advocate and no one identified to help with industrial market analysis.

Harold Stones of the Kansas Bankers Association testified in support of the bill, saying he supports the reasons given by earlier proponents.

Dr. Fred Poston, Kansas Cooperative Extension Service, testified in support of the bill and referred the committee to Secretary Brownback's written testimony (Attachment 2). He said this bill helps provide the solution to the problem of helping rural people find the path to commercialize and develop markets. He said there is a need for both short and long term commitment in a community which can best be addressed in the communities themselves. He supports the fact that this bill "marries" the activities of the Board of Agriculture and the county extension services via a referral service. He said he did not want this program to be housed with the FACTS office.

Ron Schneider, representing the Kansas Rural Center, supports the bill. He is concerned that adequate funding be provided for the program, and said that his organization believes the emphasis of the rural initiatives program should be toward the concept of a sustainable, diversified agricultural community, with small business and family farming as the backbone (Attachment 5).

Paul Fleener, representing Kansas Farm Bureau, said they strongly support H.B. 2425 and are excited about the prospect of a rural initiatives program coordinated by the Kansas state Board of Agriculture and the Kansas county extension services (Att. 6).

Mary Harper, a western Kansas farmer, spoke in support of the bill but cautioned that some people in rural communities do not want to go to the county extension agent's office to "bare their souls" but would rather use a telephone referral service.

The hearing ended on H.B. 2425 and Chairman Kline opened the hearing on H.B. 2528 and H.B. 2529.

Connie Hubbell, state Board of Education, was the only conferee on both of these bills and read her testimony (Attachments 7 and 8) in support of the bills. In regard to H.B. 2528, Ms. Hubbell said the state Board of Education would prepare a report by no later than Feb. 1 of each year for the Governor and Legislature, which would include an analysis and supporting data relating to the administration of the state plan of accountability. In regard to H.B. 2529, Ms. Hubbell stated that the Board of Education would be glad to cooperate with the Department of Commerce in the development of the clearinghouse for information on training programs.

Minutes for Feb. 17, 19, 23 and 25 were approved. Meeting adjourned at 4:55pm. Page 2 of 2

Date: 3/3

GUEST REGISTER

H O U S E

Committee on Economic Development

<u>NAME</u>	<u>ORGANIZATION</u>	<u>ADDRESS</u>
Don Jacka	ST. BOARD of Agriculture	Topeka
SAM BROWNBACK	Secy of Agriculture	Topeka
Fred Poston	KANSAS Cooperative Extension	Manhattan
Jake Kaenly	KSBA	Lewis
KEVIN ROBERTSON	KS Vocational Assn	Topeka
Paul Johnson	JACK	'1
STAN WARD	FACTS, KS BD OF AG, city Administrator	MANHATTAN
Bob Finkbiner	city of oberlin	oberlin
Barb Wenger, Director	Economic Development	Oberlin-Decatur Co.
Mary Harper	farmer	Healy
RONALD SCHNEIDER	KS RURAL CENTER	TOPEKA
FAM Mounboul	KSBOA	Topeka
Rex Hackler	KKSU Radio	MANHATTAN
Larry Lyon	Mid-Ks. Farm Prod. Council	Great Bend
Harold Stone	KS Bankers Assn	Topeka
Paul E. Fleener	Ks. Farms Bureau	Manhattan



March 3, 1987

In re: HB 2425

I heartily support HB 2425 whereby a division of rural initiatives would be established within the state board of agriculture.

In the long arduous pursuit for agriculture alternative economic development for Mitchell County many times I felt a guide through the bureaucratic maze would have been most helpful. Many avenues were explored and many of them did lead to great successes such as enterprise zones and federal historic districts. I do wonder what development tools were not found because I did not know where to turn. The rural initiative program serving as a clearing house for information and a library of successful ideas would have been invaluable to me.

The biggest project I pursued in Mitchell County was the Waconda Lodge project. This project, as many of you know, is a \$10 million dollar vacation resort within Glen Elder State Park on Lake Waconda. Many obstacles stood in our way:

Tourism---Kansas? You've got to be kidding?

Nobody knows where Northcentral Kansas is, let alone Lake Waconda.

You can't put permanent lodging on Bureau of Reclamation land.

It's never been done before.

The site is too far from a city.

We Mitchell Countains and the Kansas Park Authority were fortunate. North Central Regional Planning Commission, through the efforts of John Cyr, helped us compile a market analysis proving 300,000 people visit the lake yearly and mor visitors would come with improved facilities. We documented labor force and support systems ant their availability for the project. After a great

Attachment 1
3/03/87

deal of searching a developer, Wilderness Development, Ltd., was found. Mr. Ross Williams of Wilderness Development believed in the future of tourism and resort development in Kansas. He chose to risk with us.

At this point Senators Dole and Kassebaum, Governor Carlin, Representative Pat Roberts and Representative Cliff Campbell entered the picture. A public hearing showed our representatives the overwhelming support for this project. Of the 300 people in attendance at the hearing only 12 voted in opposition to the project.

Senator Dole and his legislative assistant, Steve Coen, and Lynn Burris of the Kansas Park Authority helped us overcome a major mountain blocking the project and this was Federal Bureau of Reclamation policy. The Bureau's long-standing policy forbade permanent lodging on bureau lands. With much legislative help and the guidance of Lynn Burris the Bureau was able to see our declining agricultural economic base could be strengthened, even revived, with this project. The happy ending of our quest will be realized this spring when the contracts are signed by Wilderness Development, Kansas Parks, and the Bureau of Reclamation.

I am concerned many rural communities might not be so fortunate in their quest for rural economic development. It would be sad to see opportunities lost because communities did not know what help was available, where to find help, what grants could be applied to meet their needs, etc. I see the rural initiatives program proposed in this bill as a positive difference in this effort.

The state board of agriculture and Kansas State University will be able to focus a coordinated effort on behalf of rural Kansas.

I applaud your foresight in drafting this bill.

A handwritten signature in cursive script that reads "Barbara Belcher". The signature is written in dark ink and is positioned at the bottom center of the page.

TESTIMONY TO HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

HOUSE BILL NO. 2425

KANSAS STATE BOARD OF AGRICULTURE

March 3, 1987

Attachment 2
03/03/87

Many factors have converged in recent years to take a heavy toll on Kansas' rural communities. And while hardship is nothing new for these communities, the combined effects of the current economic crises in agriculture, oil and industry have created what may be the most difficult transition period in this century.

Overview of the Rural Crisis in Kansas:

The rural economy in Kansas, as in the rest of the Midwest, has deteriorated drastically during the past four years as agriculture has experienced a prolonged period of excess supply with persistent downward pressures on income and net worth of farmers.

The 1985 Annual Report for the Kansas Farm Management Associations lists the average net farm income during 1985 at \$4,822 (mean income--\$4,030). The actual return to labor and management was a negative \$23,077 and the return to capital was a negative \$7,278. Average family living expense for the year was \$17,197. Over the five year period 1981-85, average net farm income was \$6,434 and family living expenses averaged \$15,706. 74 percent of the farms in the sample failed to generate sufficient net farm income to cover family living needs. 43 percent of those farms showed a net loss, covering family living costs from non-farm sources or further eroding their net worth.

A different sampling of Kansas farms during 1985, the Kansas Farm Finance Survey conducted by the Kansas Crop and Livestock Reporting Service, Kansas Board of Agriculture, reported an average net farm income of \$10,727. Those same families reported that farm income represented only 43% of their total income. Off-farm income by families members holding part-time or full-time jobs elsewhere amounted to 57% of their total income (\$14,217).

That total family income was servicing an average debt load of \$89,873, not including depreciation and debt reduction. The average debt/asset ratio, the measure generally considered to be a major predictor of financial viability, was 31.8%, exceeded in the Midwest farm states only by Iowa, North Dakota, and Nebraska. These figures underscore the serious financial state of many Kansas families and also the critical importance of jobs which provide off-farm income.

In a closer look at the debt/asset ratio data, 12.5% of Kansas farmers in 1985 (9,000 farms) were in critical trouble with debt/asset ratios of 70% or more, a strong sign that their survival is in jeopardy. In February of 1986, 5.5% (or 4,000 farmers) had already made the decision to quit farming during 1986.

Currently agricultural economists in several other midwestern states are predicting (although not in Kansas as of yet) that an additional 40-50% of all farms could be lost during the next decade. That forecast agrees with many predictors who are

reporting no reason to expect significant positive changes in farm income during the next five years.

The above figures portray only the immediate impact on farm finances. The illuminating statistic which begins to broaden the picture of economic decline in the rural community itself is the often quoted estimate that for every seven farms which fail, one rural Main Street business also fails. This is, in fact, supported by recent estimates of the Kansas City Federal Reserve Board which suggest that 25% of Kansas' rural businesses are in serious trouble.

At this point, statistics regarding the decline of rural business and the resultant deterioration of the rural infrastructure (essential service provision, e.g. schools, churches, population loss, etc.) are difficult to extract. The Wichita District Bankruptcy Court estimates bankruptcies have increased 35% over the same time period a year ago. During 1985, Kansas, along with Nebraska and Oklahoma, led the nation in number of bank closings, with thirteen banks and two credit unions failing. Ten of those banks were considered agricultural banks.

During 1986, Kansas lost 14 banks (third in the nation) behind only Texas and Oklahoma in bank failures. The number of problem loans in Kansas increased 17.3% during the first half of 1986, according to the Federal Reserve Bank Board. Renegotiated loans, which are increasingly common and have been included in the category of problem loans in the past, were not included in this figure. One clear trend is that the banks faring the best are the larger, urban banks, highlighting the problem of rural communities even further.

The family income figures quoted above highlight the dependence of family farms on off-farm jobs for financial survival. Unfortunately, that aspect of the Kansas economy is experiencing problems as well. There have been over 50 recent manufacturing plant or facility closings (aircraft, metal, rubber, and agricultural manufacturing) which resulted in 11,000 worker dislocations.

That trend is continuing. Kansas is a major oil producing state and recent events have further aggravated the economic situation in counties with high oil production, impacting not only the general economy but reducing alternative off-farm employment options as well.

Kansas was third in the nation in 1985 in the percentage increase of small business failures with a 121.2% increase. It is common to hear discussion in small communities of employers receiving 75-100 applications for one clerical position.

Conservative estimates of the numbers of Kansans likely to be affected over the next five years would suggest that as many as 200,000-250,000 rural residents, or approximately 25% of the rural

population of Kansas could be displaced from their current source of livelihood by 1991, with the available local alternatives becoming drastically reduced.

In the area of health services (generally listed as the most essential ingredient which determines quality of life satisfaction for U.S. citizens), the Kansas Hospital Association reports that approximately 50% of the rural hospitals in the state have a financial condition that is so precarious that they may well not be in operation in by 1991.

To add to that picture, the U.S. Public Health District Seven and the National Rural Health Care Association found in a four state survey of rural family practitioners which included Kansas that: (1) Patients are presenting with increased numbers of stress-related medical conditions, (2) patients are delaying contact with their physician until later in the development of the disorder, (3) patients have a reduced ability to pay for medical services and, (4) patients are more likely to be unprotected by third-party medical coverage.

In addition, 40% of the family practice physicians in rural communities are over age 55 and, therefore, are probably within 10 years of retirement.

Although supporting statistics have yet to be accumulated in Kansas, other human service systems report similar difficulties. The Secretary of Kansas' Social and Rehabilitation Services reports a drastic increase in the request by farm families for food stamps and other assistance, but admits that virtually no farmers meet the eligibility requirements for any assistance programs beyond food stamps because of their assets of land or equipment.

Directors of the Community Mental Health Centers in many areas of rural Kansas are reporting soaring caseloads of clients. School principals report greatly increased requests in many rural schools for free lunch programs. Ministers frequently address their increased pastoral counseling loads. The Council of Cooperating Churches in Kansas, the distributing group for the Willie Nelson FarmAid funds available to farmers for food, utilities, medical needs, and other necessities, has had to request additional funds a number of times and is experiencing an increasing number of requests.

The Farmers Assistance, Counseling, and Training Service (FACTS) is a toll-free hotline that was established by the Kansas Legislature in cooperation with the Kansas State University Cooperative Extension Service to provide assistance to Kansas farmers, ranchers, and rural businessmen. It provides information, counseling, and referral for financial and legal problems, employment and retraining needs, personal and family emotional and relationship crises, and basic family needs.

Since the program began on July 1, 1985, the FACTS office has had requests for assistance from approximately 4,000 individuals and families (this represents their first contact call only). The average age of caller has been 48 years of age (average age of Kansas farmers is 54 years). 69% of the callers have been male, 31% female, with an average of 24 years in farming. Financial and legal problems have constituted 63.9% of the initial calls, 24.1% were regarding employment/retraining problems, and family problems led to 10% of the calls.

It must be noted that throughout the course of working with a case, counseling and assistance may touch at times on many or all of these areas, however. The FACTS crisis counselor estimates that in the beginning months of the program, she spoke with an average of one caller per week who was potentially suicidal. In recent weeks, that has risen to an average of one to two callers per day.

It is clear that rural communities and their residents face enormously difficult economic and social challenges as the restructuring of the rural economy occurs during this period of unprecedented transition.

Proposal

Obviously, rural residents face serious problems today. The face of rural Kansas is changing and will never be the same again, but rural Kansans also possess attributes and strengths which can support the changes necessary for rural community stabilization and re-development (e.g. -- a strong cooperative spirit, a positive valuation of small-town and rural life, commitment to the community, and strong ties to the land and region). Inherent in this period of transition are opportunities for those who are willing to take the risks of action. To be more specific, those rural communities that survive the coming years will be those that choose to survive and are willing to take the risks and work for a continuation of the community and life style they value.

The basic focus of such a rural economic development model are fairly straight forward and generally encompass four specific objectives:

- 1) "plug the leaks" Identify the unnecessary outflows of money from rural communities and where a local product or service, now imported, can better be supplied locally -- keeping both money and jobs at home.

- 2) set as a priority for economic development the retention and expansion of existing businesses.

- 3) identify local venture capital funds. The development of rural businesses and the maintenance of local population bases requires readily available financing sources.

4) identify appropriate, desirable new businesses to recruit which will enhance the economic base and quality of life in the community.

One part of accomplishing these tasks will require the development of appropriate local structures and networks leading to broad citizen involvement and the emergence of energetic leadership within rural communities.

Another part of accomplishing these tasks will be the utilization of existing outside resources to assist and facilitate re-orientation and regrowth by providing technical expertise and other essential services.

Consistently, in meeting after meeting, rural government officials and other rural community leaders express their willingness to do whatever work is necessary to face the challenges ahead of them. But with equal consistency, they express extreme difficulty and constant frustration in obtaining reliable, accurate information on what resources are available to help them with their tasks.

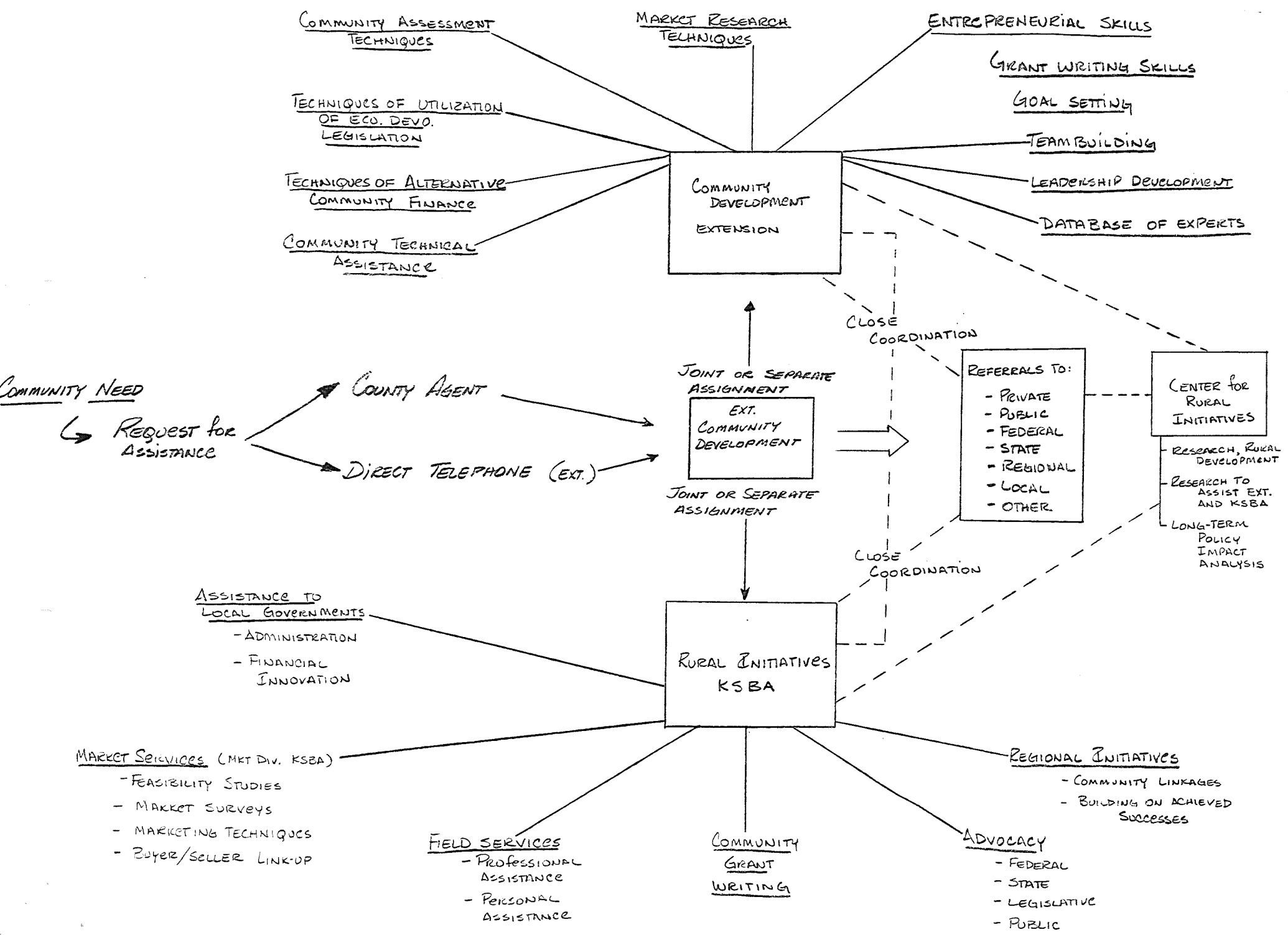
To date however, the capability of any agency in the state to provide this type of information on available rural economic development resources (local, regional, state or federal) is severely limited. To address this issue, it is proposed to establish within the Kansas Board of Agriculture and in cooperation with the Cooperative Extension Service at Kansas State University, a Division of Rural Initiatives to serve as a FACTS type hotline for rural businesses and communities.

The primary focus of this program would be:

- 1) To serve as a state-wide clearinghouse through which individuals, government agencies and communities can access reliable, accurate information about resources available to assist their efforts in rural community stabilization and re-development.

- 2) To provide a point of linkage between local, regional, state and federal agencies and programs to enhance communication and promote coordination of efforts directed toward community stabilization and re-development.

- 3) To serve as a focal point for the gathering and dissemination of information about new programs, ideas, concepts and methods pertinent to rural stabilization and re-development.



TESTIMONY

to

HOUSE ECONOMIC DEVELOPMENT COMMITTEE

on

HOUSE BILL 2425

by

HARLAND E. PRIDDLE
SECRETARY OF COMMERCE

March 3, 1987

Attachment 3
3/03/87

FUTURE OF RURAL COMMUNITIES

Kansas is a state of rural communities and our economic strength lies close to the soil in these rural communities. Of the 627 cities in Kansas, 532 of them have fewer than 2,500 people, and that includes 49 in countyseat cities.

Long term pressures on rural areas have taken their toll on many Kansas communities. While economic hardship is nothing new for rural Kansas, the current farm economic situation has produced the worst stress in most people's memories. Communities are faced with an enormous problem of trying to find ways to breath new life into their faltering economics.

As we look to the future, I believe we should pay careful attention to the future of our rural communities. While we addressed a large number of economic development initiatives during the last legislative session, we cannot overlook the rural communities as an area of emphasis for the future. Most economic change will take place only after careful analysis, hard work and building from our strength. New statewide economic initiatives will help to produce a climate in which communities can pursue economic opportunities.

It is for this reason, we must carefully consider the Future of Rural Communities of Kansas. We should review the future needs for providing health services, education, economic plans for the future and an improved quality of life for our rural citizens. Successful rural economic development will require the merger of the resources and talents of public agencies, institutions and private citizens, as well as businesses, working closely with local governments to achieve the objectives we are establishing today. We are proud of our history of being able to bring together a variety of resources to help to solve the rural problems in the past and believe we can do the same thing through dedication and cooperation in the future. For this reason, KDED developed a special research paper on rural economic development.

With specific reference to House Bill 2425, I fully support the need to have rural initiatives in order to address the serious economic situations in our state. As we do this we must carefully review the organizations and functions already established and ensure that no duplication exists. I have attached a copy of our organizational chart which lists specific functions in the community development and existing industry divisions which are serving the needs of Kansas at this time. Kansas State University and the University of Kansas are both undertaking programs to review the problems of rural communities. I think it is obvious to everyone that we need to address rural problems but as we do so we must establish the proper structure in which to accomplish this urgent need. As I see House Bill 2425, it basically sets up a reporting network. Although there are some words used which imply duplication, it is my understanding that the system being proposed is merely a reporting network and not establishment of duplication of procedures and functions already established.

Mr. Chairman and Members of the Committee, I stand for questions.

DEPARTMENT OF COMMERCE -- OFFICE OF THE SECRETARY
Harland E. Priddle / 296-3480

Mission: The Department of Commerce shall act as lead agency of the State for Economic Development for the promotion of business, industry, trade and tourism.

DEPUTY SECRETARY
David Barclay / 296-3481
GENERAL ADMINISTRATION
Policy Analysis & Research Unit
Fiscal Accounting & Personnel

EXISTING INDUSTRY DEVELOPMENT
DIVISION

Jack Montgomery / 296-5298
Director

Mission: To promote and encourage the growth, diversification, and retention of business and industry in Kansas.

Major Activities:

- * Small Business
- * Minority Business Devel.
- * One Stop Permitting
- * Field Offices
- * Local Community Technical Assistance
- * Community Development Block Grants--Economic Development
- * Liaison with Small Business Development Centers, Certified Development Companies, Venture Capital Companies

INDUSTRIAL DEVELOPMENT
DIVISION

/ 296-2652
Director

Mission: To attract new business and industry from outside the state, thereby creating jobs, attracting new capital investment, and expanding and diversifying the state's economic tax base.

Major Activities:

- * Domestic Business Recruitment
- * International Business Recruitment
- * Targeted Marketing Program
- * National Promotion Campaign

TRADE DEVELOPMENT DIVISION

Eldon Fastrup / 296-4027
Director

Mission: To increase sales of Kansas agricultural and manufactured products worldwide, thereby creating jobs, bringing new dollars into the state, and enhancing the growth and expansion of the state's economic base.

Major Activities:

- * Domestic Trade Development
- * International Trade Development
- * Agriculture Trade Development

TRAVEL & TOURISM
DEVELOPMENT DIVISION

Cathy Kruzic / 296-7091
Director

Mission: To increase the number of visitors to Kansas by promoting the state as a travel opportunity to both Kansans and non-Kansans alike.

Major Activities:

- * Promotion
- * Tourist Information Centers
- * Kansas Magazine
- * Film Services

COMMUNITY DEVELOPMENT
DIVISION

/ 296-3485
Director

Mission: To provide grants, loans and technical assistance to Kansas communities to stimulate and support economic development activity.

Major Activities:

- * Community Assistance
- * Mainstreet Program
- * PRIDE Program
- * Community Development Block Grants--Small Cities
- * Enterprise Zones
- * Certified Cities Program

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City of Oberlin

107 West Commercial Street
Oberlin, Kansas 67749
913-475-2217

A quality
environment for
business and people

Preserving the Past
Building for the Future

March 3, 1987

TO: Economic Development Committee

FROM: Barbara B. Wenger, President,
Oberlin-Decatur Area Economic
Development Corporation

Robert E. Finkbiner,
City Administrator
City of Oberlin

SUBJECT: House Bill 2425

We support this timely breath of fresh air, piece of legislation, because it addresses the communication gap between Universities, State agencies and rural Kansas.

House Bill 2425 will be a great assistance to rural communities undertaking economic development endeavors which this would speed up rural development with its outreach efforts. It will be especially helpful to those towns new at economic development.

Attachment 4
3/03/87

THE KANSAS RURAL CENTER, INC.

304 Pratt Street

WHITING, KANSAS 66552

Phone: (913) 873-3431

Testimony in Support of H.B. #2425

Mr. Chairman and Members of this Committee:

I am Ronald Schneider, speaking on behalf of the Kansas Rural Center. We support H.B. #2425, and compliment Secretary Brownback for his proposed division of rural initiatives.

It is not necessary for me to explain the scope of social, economic and personal depression which currently exists in our rural society. I am confident that all of you are familiar with the farm and rural crisis. Unfortunately, many responses to these problems have been ill-conceived or short sighted.

The rural initiatives program appears to be a concept which provides effective assistance, guidance and education to rural communities. I hope that this committee realizes the potential planning benefits that a division of rural initiatives may offer our rural communities. However, the scope of this bill requires substantial funding if this legislator is to take rural development and planning seriously. I am aware that the fiscal questions of this bill are not before the committee, but the Secretary needs the requested appropriations through the support of both Houses, if H.B. 2425 is to have any meaning.

There is one area of caution which the Kansas Rural Center notes concerning this legislation. The concepts and funding of this new division do not in themselves guarantee a specific planning model. It is the philosophy and approach of the director and staff which will define the direction of the rural

initiatives division. We believe the emphasis should be toward the concept of a sustainable, diversified agricultural community. Small business and family farming is the backbone of our rural tradition, and contemporary rural planning techniques indicate that it is the ideal model for the future of Kansas. We trust that the Secretary will utilize the internationally recognized expertise at the schools of Planning and Rural Sociology at K.S.U.

Our research at the Kansas Rural Center confirms that there are positive solutions to many of our rural problems, but we must first ask the proper questions. We hope that the rural initiatives program is directed by this form of inquiry, and we urge this committee to approve H.B. #2425.



PUBLIC POLICY STATEMENT

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

RE: H.B. 2425 - Establishing a Division of Rural Initiatives
Within the State Board of Agriculture

March 3, 1987
Topeka, Kansas

Presented by:
Paul E. Fleener, Director
Public Affairs Division
Kansas Farm Bureau

Mr. Chairman and Members of the Committee:

My name is Paul E. Fleener. I am the Director of Public Affairs for Kansas Farm Bureau. We come before your Committee today, Mr. Chairman, to express our **strong** support for H.B. 2425, a measure which proposes to establish a **Division of Rural Initiatives** within the State Board of Agriculture.

This measure would be of **immeasurable** assistance to rural communities, to the people who live in and around those rural communities, who are facing many, many problems, not the least of which are related to the depressed agricultural economy. Farmers and ranchers themselves are hurting. We are looking for a little light at the end of the tunnel. But because of the economic conditions confronting farmers and ranchers many of our communities, and the businesses in those communities are undergoing stressful conditions. They need the help of this legislation. They need the help of this Committee and this Legislature to bring together a central focus on the problems confronting them. Such would be the case with the enactment of H.B. 2425.

Attachment 6
03/03/87

We first heard about the proposal for a Division of Rural Initiatives within the State Board of Agriculture when the Secretary, Mr. Brownback, in, as I recall, his first public presentation as the new Secretary before the Agricultural Task Force of the Economic Development Commission. Subsequently we invited Secretary Brownback to present the information on Rural Initiatives and Policy Impact Analysis to the Resolutions Committee of Kansas Farm Bureau, and, through that Committee, to the voting delegates from 105 counties representing the County Farm Bureaus and the farmers and ranchers of those counties. That invitation was accepted. The information on Rural Initiatives came before our people at the November 30, December 1-2, 1986 Annual Meeting of Kansas Farm Bureau. At that meeting the innovative proposals of the Secretary and of his colleagues within the State Board of Agriculture came to the attention of our voting delegates. They included language in two resolutions dealing with the State Board of Agriculture and Kansas State University. Both of those policy positions are attached to this presentation for your examination. We want to highlight only a portion of each in this testimony and that portion relates to the recommendation made in those policy positions that "The Legislature establish a Division of Rural Initiatives within the State Board of Agriculture and that programs of the new Division be jointly administered by the Secretary of the State Board and the Dean of the College of Agriculture/Director of Extension at Kansas State University." In the policy on Kansas State University and the

College of Agriculture our people again supported "Creation of a Division of Rural Initiatives to be operated cooperatively by the Dean of Agriculture and the Secretary of the State Board of Agriculture."

The delegates at our Annual Meeting said it would be especially important at this critical time in agriculture to recognize the need farm families and rural communities have in accessing appropriate information and support programs for economic development opportunities.

We believe this Legislature was sincere a year ago when it indicated that the initiatives being proposed at that time for economic development in Kansas would be for the good of **all** of the people in Kansas, in communities large and small. We believe a Division of Rural Initiatives, operated jointly by the State Board of Agriculture and the Division of Extension at KSU, a Division which reaches into all 105 counties in Kansas, would be an appropriate step. We urge your favorable consideration for and passage of H.B. 2425. Thank you for the opportunity to appear.

State Board of Agriculture

The present Kansas method of electing a State Board of Agriculture, which board employs the administrative head of the State Department of Agriculture, is unique among the states. We believe a close study of the history of the Department of Agriculture in Kansas will reveal that agriculture, and indeed the whole state, has been well served because the Department has never been placed in a partisan political position. For that reason, we support a continuation of the present system.

We support the present method of electing the State Board of Agriculture. We support selection of the Secretary of the State Board of Agriculture by the elected members of the Board.

Members of the State Board of Agriculture now serve as the Board of State Fair Managers. We believe a new State Fair Board should be created to establish policy and operating procedures for the State Fair in Hutchinson. Members of the new State Fair Board should include the members of the State Board of Agriculture and one person each from business, industry, and travel and tourism.

We recommend that the Legislature establish a Division of Rural Initiatives within the State Board of Agriculture and that programs of the new Division be jointly administered by the Secretary of the State Board and the Dean of the College of Agriculture/Director of Extension at Kansas State University, or appropriate Division heads designated by the Secretary and Dean.

We further recommend the State Board of Agriculture develop a program for grading and quality evaluation of confectionary sunflowers and oil sunflowers.

Kansas State University

College of Agriculture. We believe that agriculture must be the highest priority at Kansas State University. We urge a strong commitment by the Kansas Legislature, Regents and University Administration to the land grant tradition of teaching, research and extension. We commend the Kansas Legislature for past support of programs at Kansas State University that have benefited all segments of society through teaching, Agricultural Experiment Station and Cooperative Extension Service. We strongly affirm our continuing support of those programs that provide educational opportunities, generate new knowledge and extend technology to users, programs which represent the foundation of sound economic growth.

Agriculture is the major industry in Kansas. We support efforts of the Cooperative Extension Service to bring programs on technical agriculture, community development, the family and youth, that benefit our citizens. We support the adequate funding of programs that provide technical specialists and agents to deliver information. In recognition of funding concerns at the county level, we support permissive legislation that allows for jointly funded and managed multi-county extension programs.

We encourage close cooperation between county Farm Bureaus and county Extension Councils in order that beneficial services to rural families, and the excellent relationships that have been established over the years, may be continued in a most effective way.

We support creation of a Division of Rural Initiatives to be operated cooperatively by the Dean of Agriculture and the Secretary of the State Board of Agriculture. Especially during this critical time in agriculture, we recognize the need for farm families and rural communities to have access to meaningful management, counseling, support programs and economic development initiatives.

We strongly recommend increased funding from State General Fund revenues for the International Grains Program to enhance market development and exports for Kansas grain producers.

We urge the Kansas Legislature to provide increased financial support for the International Meats and Livestock program at Kansas State University.

We urge high priority and funding for facilities to adequately support plant sciences research and teaching at Kansas State University. We emphasize that new technology to support plant and animal agriculture is vital for the competitiveness and profitability of agriculture.

Efforts by the Kansas Agricultural Experiment Station and Cooperative Extension Service to provide new research and extension programs in farm profitability and value-added products are strongly supported.

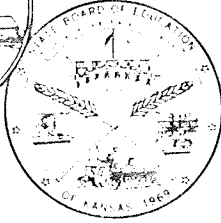
We believe the Kansas Board of Regents should authorize, and the Kansas Legislature should provide funding for, development at KSU of an intensive marketing curriculum.

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Kansas State Board of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103



Mildred McMillon
District 1

Connie Hubbell
District 4

Bill Musick
District 6

Evelyn Whitcomb
District 8

Kathleen White
District 2

Sheila Frahm
District 5

Richard M. Robl
District 7

Robert J. Clemons
District 9

Paul D. Adams
District 3

March 3, 1987

Marion (Mick) Stevens
District 10

TO: House Committee on Economic Development

FROM: State Board of Education

SUBJECT: 1987 House Bill 2528

My name is Connie Hubbell, Legislative Chairman of the State Board of Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

House Bill 2528 requires the State Board of Education to prepare and administer a state plan of accountability for approved vocational education programs. The state plan would include standards of performance for measuring effectiveness in meeting the needs of business and industry. This would include the placement and earnings of program completers, satisfaction of employers with job skills, and the performance of program completers on occupational proficiency examinations.

The State Board of Education would prepare a report by no later than February 1 of each year for the Governor and Legislature. The report would include an analysis and supporting data relating to the administration of the state plan of accountability.

The State Board of Education recommends that you report House Bill 2528 favorably for passage.

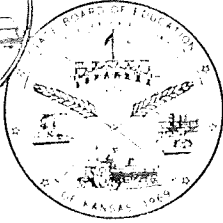
Attachment 7

3/3/87

Kansas State Board of Education

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March 3, 1987

Marion (Mick) Stevens
District 10

TO: House Committee on Economic Development

FROM: State Board of Education

SUBJECT: 1987 House Bill 2529

My name is Connie Hubbell, Legislative Chairman of the State Board of Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

House Bill 2529 requires the Department of Commerce to establish a clearinghouse for information on educational and vocational training programs of value to the economic development of this state. The clearinghouse would be required to include information on expertise of faculty, and quality, number and location of postsecondary education programs and vocational education programs in areas of critical economic development.

The State Board believes this information could be of value to the Department of Commerce and would be glad to cooperate in that endeavor.

The State Board of Education recommends that you report House Bill 2529 favorably for passage.