

Approved 2-19-87
Date

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Senator Wint Winter, Jr. at
Chairperson

12:40 ~~am~~/p.m. on February 17, 1987 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Arden Ensley, Revisor of Statutes
Lynne Holt, Legislative Research Department
Raney Gilliland, Legislative Research Department
Scott B. Rothe, Legislative Research Department
Mary Allen, Secretary to the Committee

Paul R. West, Legislative Research
Department

Conferees appearing before the committee:

Sam Brownback, Secretary of Agriculture

The meeting was called to order at 12:40 p.m. by the Chairman, Senator Wint Winter, Jr..

Senate Bill 100 - An Act establishing the commission on travel and tourism.

Chairman Winter called for Committee discussion on SB 100.

Senator Vidricksen moved that SB 100 be amended by striking Section 1 and renumbering the remaining sections and that the stricken Section be set out in the minutes of the meeting as representing the intent of the Committee regarding the bill. Senator F. Kerr seconded the motion. The motion carried.

Section 1 which was stricken from SB 100 reads as follows:

"The legislature finds and declares that: (a) Tourism is a major source of jobs, income and tax revenues in Kansas, and the expansion of this industry is vital to the overall growth of the economy of Kansas; (b) the tourism, travel and recreational industries are important to the state, not only because of the numbers of people they serve but because of the benefits which tourism, recreation and related activities confer on individuals and on society as a whole; (c) there is a need to invest state resources to provide a more effective means of promoting and marketing to, and within, the state and to optimize the considerable investment of time, energy, capital and resources being made by the tourism industry; and (d) existing state government involvement in tourism and related activities needs to be better coordinated at the state level, as well as with local government and the private sector, if the economic and employment benefits of the industry are to be maximized."

Senator Vidricksen moved that SB 100 be amended in Section 2 to stagger the terms of the members of the Commission by inserting the following:

"Legislator members shall be appointed for terms coinciding with the terms for which such members are elected. Of the nine members first appointed by the governor, five shall be appointed for terms of three years and four shall be appointed for terms of two years as determined by the governor. Thereafter, all members appointed by the governor shall be appointed for terms of three years. All members appointed to fill vacancies in the membership of the commission and all members appointed to succeed members appointed to membership on the commission shall be appointed in like manner as that provided for the original appointment of the member succeeded";"

Senator Karr seconded the motion. The motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT,
room 123-S, Statehouse, at 12:40 ~~a.m.~~/p.m. on February 17, 1987

Senator Feleciano offered a conceptual motion to amend SB 100 to provide that one of the members of the Travel and Tourism Commission be appointed from a list of three nominations made by the Kansas Wildlife Federation and that SB 100 be further amended to provide that the membership of the Travel and Tourism Commission from the general public be reduced from five members to four members with none of those members from the general public representing a travel related industry. Senator Vidricksen seconded the conceptual motion. The conceptual motion carried.

Senator Vidricksen moved that SB 100 be reported favorably for passage as amended. Senator D. Kerr seconded the motion. The motion carried.

Chairman Winter introduced Sam Brownback, Secretary of Agriculture, to brief the Committee on Initiatives with respect to rural and agricultural job development.

Secretary Brownback discussed some of the needs and areas of concern for rural Kansas which surfaced during the Economic Development Task Force on Agriculture and during the Commission hearings on the future of Kansas agriculture. He said that there are a lot of small towns in rural Kansas and those towns have particular problems. He listed some of those problems as follows:

- (1.) The population of rural Kansas is older. The average age of the Kansas farmer is fifty-nine years. Young people are leaving due to a lack of jobs and the concentration of older people is creating health needs.
- (2.) There have been bank failures in Kansas, a majority of which have been in rural areas across the state.
- (3.) There has been a down turn in the agricultural in-put business i.e. fertilizer, chemicals, seeds and farm equipment.
- (4.) There has been a loss of population in the rural communities.

Secretary Brownback stated that, in his opinion, agriculture is not the problem but rather part of the solution to economic development in Kansas. He listed resources which rural communities can use when they need help such as entities of the Small Business Administration, Farmers Home Administration, Kansas Department of Commerce, Kansas Regents' schools, and the Board of Agriculture. He suggested that a rural initiatives program needs to be created, which would have a staff of seven, to be modeled after the FACTS program which the Board of Agriculture now has in place. He discussed the FACTS program and noted that it has a staff of five people at this time. Federal funds will allow that staff to increase to eight. They have a hotline number for use by distressed farmers. During the first eighteen months of existence, they have had thirteen thousand calls

Secretary Brownback said that the rural initiatives program which they are suggesting would be sunsetted in three years. He feels that there is a good potential for federal funding on a portion of the program. He looks at this program as a rural Chamber of Commerce for rural Kansas. He passed out copies of the proposed legislation to establish a Division of Rural Initiatives and noted that this was introduced as a Committee bill by the House Agriculture Committee. (Attachment I)

The Secretary discussed "A Blueprint for Kansas Agriculture Study". (Attachment II) He observed that this proposed study would include study in two areas: (1.) Agricultural diversification, and (2.) Value added enterprises. He stated that the cost of this study would be approximately \$150,000.00, with \$120,000.00 of that coming from the state and \$30,000.00 from the private sector.

Secretary Brownback passed out copies of a newspaper article which he had written entitled "Rural Problems Affect Towns and Cities, Too" and observed that it contains factual content concerning what is going on in rural communities throughout the state. (Attachment III)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT,
room 123-S, Statehouse, at 12:40 ~~a.m.~~/p.m. on February 17, 1987

Staff passed out copies of a Memorandum from Harland Priddle, Secretary of Commerce, concerning SB 100. (Attachment IV)

Senator Burke introduced Tim Witsman, the new President of Kansas, Inc..

The meeting was adjourned at 1:30 p.m. by the Vice Chairman, Senator David Kerr.

GUEST LIST

NAME

REPRESENTING

<u>NAME</u>	<u>REPRESENTING</u>
Nick Jordan	Overland Park CVB / TIAK
George Barber	TIAK
Ivan W. Wyatt	Ks Farmers Union
John C. Rybny	Salina CVB / TIAK
Pete Anderson	Marysville Sub / TIAK
Maw McCoun	EL DONADO, CVB
Kim McEuen	TIAK
Jay W. Dorer	HOLIDAY INN WEST - TOPEKA
Kirk McKinney	Good Will Tours - Erie
Cris Collins	Great Bend CVB
Jan Kay	Way Signs, Wichita
Ed Sheels	ABILENE, KS.
Pete Harnett	Wichita, KS.
Cathy Rutherford	Overland Park CVB
Joyce Towns	Travel Convention & Visitors Bureau
Blenda Yanko	Russell County CVB
Neresa Bresler	Hutchinson Holiday Inn / Holiday Home
Jan Johnson	Budget Division
Jan Ralston	Emporia / Lyon County CVB
Carlyn Colman	TPPBR, University of Kansas
Roy DAVIS	WESTERN HILLS MOTEL, HILL CITY, KS
Judy Billings	Lawrence Convention & Visitors Bureau
Dave Reynolds	Overland Park Conv & Vis. Bur.
Jim Sherer	Boot Hill Museum - Dodge City

Brenda M. Mansker, Uptown Center
 Connie Trimble, Springfield - Ark City
 Betty Leonard, Arkansas City
 Jodi Burrell, Kansas City
 Jean Dennis, Kansas City, MO
 Helen Judd, Council Grove, KS
 Charles Judd, " " "
 Kitty Sefer Murphy, Lawrence, KS
 Bill Johnson, Lawrence, Mo.
 Mary Ann Patten
 Marjorie & Phil
 Harold Pitts
 C. Bernauer
 Patricia Attwegg
 Lueky Blake
 Joe Worth
 Rocky Chambers
 Ellen B Walker
 Jeanne Mogenson
 Martha Slater
 Evelyn Harper
 Shirley Condiff
 Tom Bounback

Southeast Kansas Tourism
 South Central " " Region
 " " " "

North East Tourism Region
 Lawrence, KS Area CVB
 Chamber of Commerce Tourism Committee
 " " " "
 Lawrence Convention & Visitor Bureau
 Northeast KS Tourism Region
 Lawrence CVB
 Topeka Convention & Visitors Bureau
 N.E. KS. Tourism Region

Topeka, KS
 Topeka
 Topeka, KS
 Cloud County Community College
 Concordia, Kansas
 Manhattan Conv. & Visitor Bureau

Garden Hotel - Ellsworth, KS
 Eureka Downs
 KS. Cosmosphere & Space Center
 Hutchinson / Reno County Convention +
 Visitor Bureau
 South Central Tourism Region
 First Rail Travel - Hutchinson
 Wichita Convention & Visitor Bureau
 BOA

PROPOSED BILL NO. _____

AN ACT concerning the State Board of Agriculture; establishing a Division of Rural Initiatives; providing for duties and functions of the Division of Rural Initiatives.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF KANSAS

SECTION 1. In so much as farmers are experiencing an alarming rate of farm failures, with such failures rippling through the agricultural economy causing or accelerating the collapse of associated rural business and the decline and demise of rural communities, those affected are losing their careers, homes and ways of life. Thus it is of paramount importance that the state of Kansas, through the state board of agriculture in cooperation with Kansas state university, proceed with urgency to become proactive in the area of rural social and economic problems in efforts to revitalize the social and economic base of Kansas upon which to build for the future. It is therefore declared that the purpose of this act shall be to establish a program of rural initiatives to directly assist rural communities and agribusinesses in avoiding and alleviating the problems and financial distress resulting from or associated with the adverse economic conditions and forces with which are presently experienced in agriculture.

SECTION 2. (a) The secretary of the state board of agriculture with the cooperation of the director of extension of Kansas state university shall establish a rural initiatives referral program. For the purposes of providing such assistance and program, the secretary shall utilize the services of Kansas state university, other state and federal agencies, county extension personnel, municipal and community services organizations and personnel and private business and professional agencies or services available for such purpose. The secretary shall compile a directory of programs and services which may be utilized in providing the assistance contemplated by this act.

(b) A division of rural initiatives is created within and as part of the state board of agriculture. Such an organization would be administered by a director cooperatively appointed by the secretary of agriculture and the director of extension services, Kansas state university. Staff required by the secretary for the purposes of implementing this act shall be employed by the secretary. Personnel employed by the secretary for the purpose of implementing this act shall be employed as special project employees and shall be in the unclassified service under the Kansas civil service act. The personnel employed by the secretary for this purpose shall be utilized in: (1) Receiving requests for assistance; and (2) determining if such assistance can best be provided by staff or by referral to an appropriate public or private agency or party for direct assistance.

(c) Administered by the state board of agriculture, the division of rural initiatives shall be co-located with Kansas state university in Manhattan. Such co-location would facilitate close working relationship with Kansas state university, the Kansas center for rural initiatives and the Kansas state extension services.

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Attachment I

SECTION 3. (a) The division of rural initiatives will coordinate numerous functions of private organizations and state and federal agencies to facilitate assistance to rural communities in the aggressive regeneration of rural economic bases and the revitalization of the quality of rural life-style. The division of rural initiatives will provide a concerted effort toward problem identity and service delivery; it will provide a single point of contact for assistance to rural communities experiencing distress as a result of agricultural economy; and provide for a coordination of services, activities and information presently available to assist rural communities. The services provided by the division of rural initiatives will include direct assistance or referral in the areas of: Administrative/fiscal management; additional/alternative sources of revenue; provision for human needs; expansion of economy; jobs creation/enhancement; community awareness/involvement; and location of capital sources for business retention and expansion.

(b) When assistance is requested by a rural community the entire realm of available assistance will be reviewed and the process of delivery will be facilitated. The assistance to communities shall be conducted within the community by infusion of new ideas and cross-application of known successes.

(c) The secretary is hereby authorized to negotiate and enter into contracts for the performance of the powers, duties and functions of this program of rural initiatives. All such contracts shall be exempt from the competitive bid requirements of K.S.A. 75-3739 and amendments thereto.

SECTION 4. The provisions of this act shall expire on June 30, 1990.

SECTION 5. This act shall take effect and be in force from and after its publication in the statute book.

PRESENTATION TO THE KANSAS
SENATE ECONOMIC DEVELOPMENT COMMITTEE

BY

SAM BROWNBACK
KANSAS SECRETARY OF AGRICULTURE

FEBRUARY 17, 1987

Senate Eco Dev
2-17-87
Attachment II

BLUEPRINT FOR KANSAS AGRICULTURE STUDY

Section 1. The legislature finds and declares as follows: (a) That due to the depressed conditions in the agricultural economy of this state, there is a critical need to prevent further erosion in the agricultural sector of the Kansas economic base; (b) that there currently exists a lack of knowledge concerning the best use of the existing agricultural resources and wealth generating enterprises in agriculture; (c) that since the Redwood-Krider study did not focus specifically upon agricultural problems, a study needs to be done focused specifically upon agriculture and agricultural problems as it relates to agricultural economic development; and (d) that in order to eliminate the current shortage of accurate information concerning agricultural problems and agricultural economic development, a cooperative effort between state and private nonprofit organizations or professional and trade associations should be undertaken to clarify the problems facing agriculture and determine solutions for those problems, to facilitate the diversification of existing agricultural resources and of wealth generating enterprises in agriculture and to promote increased value-added products, processes and enterprises located in Kansas and the markets for these products.

Section 2. The secretary for the state board of agriculture is hereby authorized and directed to coordinate a program with Kansas State University, other state, federal, and local agencies and such other nonprofit organizations and associations who have knowledge and expertise in agricultural matters and are encouraged to volunteer to assist the secretary in this study. This study shall be known as the blueprint for Kansas agriculture and shall include the following described subjects as well as any additional subjects which the secretary may deem necessary:

- a. areas of agricultural diversification;

- b. the implementation of value added products and expansion of the food processing industry as it relates to agriculture; and
- c. any other subject which the secretary deems appropriate as it relates to the blueprint for Kansas agriculture.

The secretary shall complete this study and make a report thereon to the Kansas legislature not later than January 10, 1988.

Section 3. In general, but not by way of limitation, for the purposes of implementing and conducting the blueprint for Kansas agriculture study, the secretary shall have, exercise and perform the following powers and duties:

- a. to assume central responsibility and coordinate all facets of a comprehensive study of economic development for agriculture;
- b. to create and carry out a coordinated plan with Kansas State University and other state, federal, or local agencies and nonprofit organizations or associations which do research work, develop materials and programs, gather statistics, or which perform functions related to the purposes of this study, and such state departments and agencies shall advise and cooperate with the secretary in the planning and accomplishments of the objectives of this act;
- c. to advise and cooperate with all federal departments, research institutions, educational institutions and agencies, quasi-public professional societies, private business and agricultural organizations and associations, and any other party, public or private, and to call upon such parties for consultation, and assistance in their respective fields of interest, to the end that all up to date available technical advice, information, data, and assistance be gathered for the use of the secretary in carrying out the purposes of this act;

- d. to enter into such contracts as are necessary to implement and carry out the objectives of this act provided, however, that such contracts shall be exempt from the bidding requirements of K.S.A. 75-3739 and amendments thereto;
- e. to make agreements with other states and with the United States government, or its agencies, and to accept gifts, donations, or funds from the federal government, or its agencies, or any other source for research studies, investigation, planning and other purposes related to the purposes of this act; and any funds so received shall be deposited in the state treasury and shall be credited to a special revenue fund which is hereby created and shall be known as the "blueprint for Kansas agriculture fund" or used in accordance with or direction of the contributing federal agencies; and expenditures from said fund may be made for any purpose in keeping with the responsibilities, functions and authority of the secretary under this act; and warrants on said fund shall be drawn in the same manner as required of other state agencies upon vouchers signed by the secretary;
- f. to organize, or cause to be organized, an advisory board or boards representing interested groups, including industry, labor, agriculture, scientific research, the press, the professions, industrial associations, civic groups, etc.; and such board or boards shall advise with the department as to its work and the department shall, as far as practicable, cooperate with such board or boards, and secure the active aid thereof in the accomplishment of the aims and objectives of the department; and

g. to do other and further acts as shall be necessary and proper in the development of agriculture and economic welfare of agriculture in the state.

Section 4. Staff required by the secretary for the purposes of implementing this act shall serve in the offices of the state board of agriculture. Personnel employed by the secretary for the purpose of implementing this act shall be employed as special project employees and shall be in the unclassified service under the Kansas civil service act.

Section 5. This act shall take effect and be in force from and after its publication in the Kansas Register.

Sunday, January 4, 1987

Rural problems affect towns, cities, too

By SAM BROWNBACK
Kansas secretary of agriculture

One of Kansas' most beautiful sights is its great, golden sea of ripened grain.

Yet racing invisibly across that sea is a tidal wave of disaster caused by the continuing farm crisis and depressed oil economy. Unless these powerful forces of economic destruction can be stopped, I fear for our farmers, our rural communities, and the economic base of Kansas as a whole.

Empty storefronts, closed banks, the number of unemployed and deeply lined faces seen on almost any Kansas Main Street say it without words. Rural Kansas is in trouble. And the destructive force of the tidal wave caused by depressed agricultural and oil prices will not stop in the rural areas. Already its damage is being seen also in our urban centers and state tax revenues.

This state is built on its non-urban communities, with economic strengths tied closely to the land. More than 530 of Kansas' 627 cities have fewer than 2,500 residents. We must act now and convincingly to address the problems of rural Kansas.

Main Street looks different in many ways than it did even 10 years ago. The people on Kansas Main Street are different. Fewer are farmers, their average age is older and there simply aren't as many of them.

Rural farm residents have decreased from 23.4 percent of the population in 1960 to only 7.3 percent in 1980. Twenty years ago only one county had more than 20 percent of its residents 65 or older. The situation nearly reversed in the intervening 20 years, with only 11 counties today having less than 15 percent over 65.

KU's Institute for Public Policy and Business Research projects that 44 rural Kansas counties will actually lose population by 1990. The only counties with projected growth tend to surround the state's urban areas, or, in one case, the area around Finney County which has gained in beef feeding and processing.

Another reason for the older look of the strollers on Main Street is the exodus of younger people to urban areas or other states because of the lack of job opportunities. Although figures are not available for all college students, it appears that some of the state's best students leave the



SAM BROWNBACK
... trend must be reversed

state, both to attend college and to settle and work.

In a study of nearly 2,000 Kansas National Merit semifinalists from the 1970s, Wichita Eagle Beacon writers Susan Freinkel and Al Polczinski found that nearly 60 percent of those exceptional scholars have left the state. Very few remained in their hometowns; nearly 90 percent moved to an urban area of Kansas or another state. The largest losses were from western Kansas, with the vast majority of its semifinalists never returning home except to visit.

The look of the businesses on Main Street also are different, both in number and prosperity. A study of the percentage change in sales from 1979 to 1985 by Kansas State University researchers resulted in some glum conclusions.

In "rural farm-dependent" counties, retail sales fell 22 percent from 1979-1985. Sales in other rural counties fell 14.1 percent during that time. Even in the urban counties, there was a 0.1 percent sales loss, leading to a statewide loss of retail sales of 7.5 percent.

According to the Kansas Department of Human Resources, most employment growth in rural communities was in retail trade and services, with 78 percent of all employees in the service industries. Those areas usually are not producers of new income for an area. Manufacturing, which brings in new money, declined 23.5 percent in rural Kansas between 1978 and 1983.

The bank on Main Street may look

different than it did 10 years ago. Agricultural banks in particular are having tough times. Ten years ago bank closings were not frequent enough to be of concern. In 1985, 13 banks closed, and in 1986 another 14 closed, a post-Depression record.

Farm equipment dealerships, as might be expected, are seen less frequently on Main Street. According to the St. Louis-based National Farm and Power Equipment Dealer's Association, membership in its western organization composed of Kansas and western Missouri has dropped from 802 members 10 years ago to 536 today.

A clear picture of how changes in the farm economy affected a rural community comes from a study of Decatur County conducted by KSU professors Jan and Cornelia Flora and other faculty members. According to their study, as farm incomes declined in Decatur County, many businesses began to cut back operations. Jobs were lost and profits decreased, both in the farm-related and seemingly non-farm-related businesses on Main Street.

Sales of farm equipment in 1984 were at one-fourth the 1979 level. Car and truck sales fell 11 percent between 1982 and 1984. Construction declined, as did demand for heating and air conditioning units and their repair. Hardware, appliance, carpet and furniture stores had reduced sales and reduced numbers of employees. The newspaper lost advertising money and eliminated two part-time positions. Sales of men's clothing declined. Remaining basically unaffected were grain elevators, because of increased storage; grocery sales, health care, drugstore business, and women's and children's clothing.

Partially because of the aging of the population, health care needs have not decreased in most rural areas. Closings of rural hospitals have been infrequent, but many have changed their emphasis to such areas as long-term care because of decreased utilization of beds.

Decreased prosperity in rural communities lessens the chances of

new health care professionals locating a new practice there. Even now, rural communities are less well served with regard to home health care, transportation for the elderly, meal programs for the elderly, adult day care of skilled nursing facilities.

Although the picture of Main Street seems bleak, it is not without hope. The financial situation in Kansas is not as severe as in many other farming-dependent states. One rural area which does not show the same signs of economic distress is the area around Dodge City and Garden City where large-scale beef feeding and processing has increased overall employment, population and business.

The projected percentage change in population of Kansas counties between 1980 and 1990 indicates that 61 counties will gain population and 44 will lose, given current conditions. Some of the largest projected gains are in the beef processing rural areas of southwest Kansas — 37.3 percent in Kearney County and 22 percent in Finney County.

To address the drastic needs of our rural communities, the Kansas Board of Agriculture is proposing the creation of Rural Initiatives Program as a joint project between the Board of Agriculture and Kansas State University. This program will be a one-stop-shop for rural communities to contact for intensive assistance in the areas of rural development and retention of existing businesses and services.

The Rural Initiatives Program will coordinate and deliver many services which currently exist to assist rural communities, but are not getting to their targeted audiences. This proposal for rural assistance is modeled after the FACTS (Farmer's Assistance, Counseling and Training Service) program that delivers intensive, coordinated services to financially distressed farmers.

We must act now to ease and reverse the outmigration of people, opportunities, jobs and capital from rural Kansas. To do otherwise invites the continued decline and demise of much of Kansas as we know it.

State Sec. Brown
2-17-87

Attachment # III

**GET ON
THE BALL WITH**

STATE OF KANSAS




DEPARTMENT OF COMMERCE
400 S.W. 8th, 5th Floor
Topeka, Kansas 66603-3957
Phone (913) 296-3481
Telex No.—4931494KS

Mike Hayden, Governor

Harland E. Priddle, Secretary

M E M O R A N D U M

TO: Gary Stotts,
Acting Director of the Budget

FROM: Harland Priddle, 
Secretary of Commerce

RE: Fiscal Note on Senate Bill No. 100

DATE: February 10, 1987

Per your request, I am providing the following information on Senate Bill No. 100.

(1) Analysis of Proposed Legislation

Senate Bill No. 100, introduced by the Committee on Economic Development, establishes a commission on travel and tourism. The commission consists of the following 13 members:

- One Senate member appointed by Senate President
- One Senate member appointed by Senate Minority Leader
- One House member appointed by House Speaker
- One House member appointed by House Minority Leader
- Nine members appointed by the Governor:
 - one representing Travel Industry Association
 - one representing Kansas Lodging Association
 - one representing Kansas Restaurant Association
 - one representing Kansas Oil Marketers and Convenience Store Association
 - five representing the general public, two of whom are involved in travel-related business

In addition, the Secretary of Commerce, Secretary of Transportation and Director of the State Park and Resources Authority serve as ex-officio members of the Commission. Each of the five tourism regions of the state must be represented by at least one member.

The Commission would meet at least four times each year and expenses incurred for members attending meetings would be paid by the state.

The duties of the Commission include:

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- (a) advise the Department in development and implementation of state tourism marketing and business development program; this includes advice on long range strategic program development.
- (b) report information necessary to prepare division of travel and tourism budget.
- (c) identify and review tourism issues and state policies and programs which affect travel and tourism.
- (d) prepare and submit to Governor and Legislature a report of findings and recommendations to promote travel and tourism.

The Kansas Economic Development Study recommended that there be established an overall travel and tourism strategy for the state that would be instrumental in advising the Division of Travel and Tourism on long-range strategies for attracting visitors to the state. Senator Ben Vidricksen, a member of the Travel Industry Association of Kansas (TIAK), is a strong supporter of the bill. The Travel Industry Association of Kansas (TIAK) also strongly supports the concept of establishing a travel and tourism commission and has made it a part of their 1987 legislative agenda.

(2) Effects on Agency Operation

Senate Bill No. 100 would enhance the Division of Travel and Tourism's ability to do long range planning on issues affecting travel and tourism. It would provide industry representation and be geographically balanced. By institutionalizing the informal communication channels that exist now, the commission would ensure coordination and communication between the public and private sector.

The Commission would be another tool the Division would use to strengthen its efforts to promote tourism and travel. It is anticipated the Commission might propose programs after having researched the merits of the proposals. Because the Commission is advisory, it would not compete with the goals established by the Department of Commerce and the Division of Travel and Tourism.

(3) Dollar Effects on Agency Budget

Compensation, subsistence, mileage and expenses incurred by Commission members to attend meetings will be paid by the Department. Consequently it is anticipated it will cost \$8,437 to finance four meetings of the Commission.

On or before December 31 of each year, the Commission must submit a report to the Governor and Legislature. It would cost approximately \$250 to produce 250 copies of a 25 page report. A small amount, \$200, should also be anticipated for supplies for the Commission.

In addition, an indeterminable amount of staff time will be required to work with the Commission members to plan meetings and prepare agendas. This staff time should be offset by the contribution the Commission makes in research and study of pertinent travel and tourism issues.

(4) Basis for Cost Estimates or Anticipated Revenues

BOARD EXPENSES AND TRAVEL

LEGISLATORS:

4 legislators x \$54/day wages x 4 meetings	\$ 864
4 legislators x \$65/subsistence x 4 meetings	1,040
4 legislators x 358 miles (round trip travel to Topeka) x .23/mile x 4 meetings	1,317

PUBLIC MEMBERS:

4 members x \$50 (assume 4 members will require overnight lodging) x 4 meetings	800
4 members x \$12 (assume meeting will be scheduled for day) x 4 meetings	192
9 members x \$35/day wages x 4 meetings	1,260
9 members x 358 miles (round trip travel to Topeka) x .23/mile x 4 meetings	<u>2,964</u>

GRAND TOTAL

\$8,437

(5) Implementation Implication

The Commission would formalize the relationships that already exist between the Department and travel and tourism constituencies.

(6) Long Range Fiscal Effects

In addition to the expenses associated with the Commission meetings, it could be anticipated that the Commission's work would result in additional funding for the Division of Travel and Tourism for promotion, advertising and program enhancements.

Should you require additional information, please contact Terri Johnsen of my staff.