

Approved March 28, 1988  
Date

JOINT MEETING OF THE SENATE WAYS AND MEANS SUBCOMMITTEE ON THE  
GENERAL GOVERNMENT AGENCIES OF THE EXECUTIVE BRANCH AND THE  
MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

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

12:40 ~~xxx~~ p.m. on March 16, 1988 in room 254-E of the Capitol.

All members were present except:

Senator Leroy Hayden - Excused

Committee staff present:

Paul West, Legislative Research Department

Mary Allen, Secretary to the Committee

Conferees appearing before the committee:

Dr. William Brundage, Kansas Technology Enterprise Corporation

Hunt Parker, Electro Mech Corporation

Marlin Zink, Master Machine Tools, Inc.

David Frey, Kansas Wheat Commission

Howard Tice, Kansas Association of Wheat Growers

Lexie Covington, White Wheat Task Force

David Seaton, Chairman, Kansas Main Street Advisory Board

Kevin Walker, City of Hutchinson Main Street Program

Vance Kelly, AIA Historic Preservation Committee

Brenda Manske, Kansas Downtown Development Association and Southeast Kansas Tourism  
Region, Inc.

Harland Priddle, Secretary, Kansas Department of Commerce

Richard Shank, Kansas Film Commission

Doug Curtis, Kansas Film Commission

Judy Billings, Lawrence Convention and Visitors Bureau

Nick Jordan, Travel Industry Association of Kansas

Senator Dan Thiessen, Kansas Senate

Harriet Lange, Kansas Association of Broadcasters

Cynthia Friend, Kansas Small Business Development Centers

Dorothy Ilgen, Kansas Arts Commission

The joint meeting of the Senate Economic Development Committee and the Senate Ways and Means Subcommittee on the General Government Agencies of the Executive Branch was called to order at 12:40 p.m. by the Chairman, Senator Wint Winter, Jr. Hearings were continued on the appropriations for FY '88 and FY '89 for the General Government Agencies of the Executive Branch, in particular the agencies dealing with economic development issues.

Appropriations for the Kansas Technology Enterprise Corporation (KTEC) were discussed. Dr. William Brundage, President of KTEC, spoke to the Committees concerning KTEC's budget requirements and programs. (See Attachment I for his statement.) Following Dr. Burndage's remarks, the following people spoke in support of KTEC:

Hunt Parker, Electro Mech Corporation

Marlin Zink, Master Machine Tools, Inc. (See Attachment II for his statement.)

David Frey, Kansas Wheat Commission (See Attachment III for his statement.)

Howard Tice, Kansas Association of Wheat Growers (See Attachment IV for his statement.)

Lexie Covington, White Wheat Task Force

At the request of the Chairman, staff gave a brief overview of the budget of Kansas Inc.

Appropriations were discussed for the Kansas Main Street Program. The following people spoke to the Committees concerning the Main Street Program and its proposed budget:

David Seaton, Chairman, Main Street Advisory Board (See Attachment V for his statement.)

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

JOINT MEETING OF THE SENATE WAYS AND MEANS SUBCOMMITTEE ON THE GENERAL GOVERNMENT AGENCIES  
OF THE EXECUTIVE BRANCH AND THE

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

room 254-E, Statehouse, at 12:40 ~~xxx~~ p.m. on March 16, 1988

Kevin Walker, City of Hutchinson Main Street Program  
Vance Kelly, AIA Historic Preservation Committee  
Brenda Manske, Kansas Downtown Development Association (Attachment VI)  
Harland Priddle, Secretary, Department of Commerce

Appropriations for the Kansas Film Commission were discussed. The following people spoke to the Committees concerning the Commission's budget:

Richard Shank, Kansas Film Commission (See Attachment VII for his statement.)  
Doug Curtis, Kansas Film Commission (See Attachment VIII for his statement.)  
Judy Billings, Lawrence Convention and Visitors Bureau (See Attachment IX)

Appropriations were discussed concerning the Division of Travel and Tourism in the Kansas Department of Commerce. The following people spoke to the Committees concerning this Division's budget:

Nick Jordan, Travel Industry Association of Kansas (See Attachment X)  
Brenda Manske, Southeast Kansas Tourism Region, Inc. (See Attachment XI)  
Senator Dan Thiessen, Kansas Senate  
Harriet Lange, Kansas Association of Broadcasters (See Attachment XII)

Appropriations were discussed for the Kansas Small Business Development Centers. Cynthia Friend, Interim State Director of the Kansas Small Business Development Centers addressed the Committees concerning the SBDC's programs and budget. (See Attachment XIII for her statement.)

Copies of a statement were provided to the Committees from Chris Imming on behalf of the Kansas Association of Certified Development Companies in support of increased funding for CDC's included in the KDOC's "C" level budget requests. (See Attachment XIV for his statement.)

Copies of a statement from William Martin, Lawrence Chamber of Commerce, were also provided to the Committees in support of the Industrial Development Division of KDOC. (See Attachment XV for his statement.)

Dorothy Ilgen, Kansas Arts Commission, appeared before the Committees on behalf of her Commission's budget. She discussed the ways the Kansas Arts Commission has an impact on economic development in Kansas.

The meeting was adjourned at 2:35 p.m. by the Chairman.

GUEST LIST

NAME

REPRESENTING

Bob Grant	KCC)
Ann Patterson	KDOC
Mark Arbuthnot	City of Wamego
Vance Kelley, AIA	Kansas Society of Architects
Toni Harley	City of Girard
Donna Harris	Garnett
C.D. Harris	Garnett
Richard Owen	Garnett
Mike Morris	Garnett
Rebie Covington	LTCC
KEVIN WALKER	CITY OF HUTCHINSON
Foranda Mankie	SEK TOURISM REGION
Dave Seaton	KDDA
Pat Mah	Kansas Main Street Advisory Board
Jim Kadel	KDOC
Barb Finney	KDOC
Ken Coffey	Kansas Small Business Dev. Centers
Mary Jenkins	Kansas SBDC
Cynthia Friend	"
Harriet Lange	Kansas SBDC
Rosemary Crilly	KS ASSA Broadcasters
Kim Greenwood	Wamego Chamber of Commerce Hays Business Improvement District

D. WAYNE ZIMMERMAN

LS Schneider

Lindy Diehl

MARTIN ZINK

David Frey

HOWARD W. TEE

KDOC

11 DOC

KTEC

~~MASIEE~~ MREHINE

Ks. Wheat Comm. Manhattan

Ks. Assoc. of Wheat Growers

Testimony to the  
Senate Ways and Means Subcommittee

by

William G. Brundage, President  
Kansas Technology Enterprise Corporation

March 16, 1988

*Attachment I  
Senate Eco Devt  
3-16-88*

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to appear before you to discuss KTEC's budget requirements. We have developed a business plan and within this plan you will find our recommendations for a minimum threshold level of funding for Fiscal Year 1989. Additionally, we have reviewed, in detail, the Governor's recommendations and the House Subcommittee's actions on our FY88 and FY89 appropriations.

Table 1 shows KTEC's recommended and minimum threshold funding levels for FY 1989. Table 2 shows the Governor's recommendation, the House recommendation, and what KTEC believes to be the optimal appropriation and distribution of these monies.

TABLE 1

SUMMARY BUDGET REQUEST, FY 1989	<u>Recommended Funding</u>	<u>Minimum Threshold Funding</u>
University Centers	\$1,250,000	\$600,000
Applied Research Matching Grant Fund	2,000,000	800,000
SBIR Matching Grant Fund	500,000	150,000
Research Equipment & Special Projects	500,000	295,000
Technology Transfer & Technical Referral	50,000	50,000
Incubator Program	500,000	125,000
Seed Capital Fund	1,500,000	500,000
Staffing and Operations	849,189	849,189
<b>TOTAL</b>	<b>\$7,149,189</b>	<b>\$3,369,189</b>

TABLE 2

KTEC  
FY 1989 BUDGET COMPARISON

OPERATIONS

<u>ITEM</u>	<u>Governor</u>	<u>House</u>	<u>Needed</u>
Salaries/Wages	\$173,737	\$257,334	\$355,000
Committee Expenses	0	0*	32,000
Communications	4,771	12,000	24,000
Printing & Adv.	1,327	25,000	50,000
Rent	12,284	12,284*	22,500
Travel	7,600	20,000	20,000
Professional Fees	0	15,000	30,000
Technology Expo	4,000	15,000	15,000
Office Supplies	400	5,000	5,000
Capital Outlay	0	10,000	40,000
<b>SUBTOTAL OPERATIONS</b>	<b>\$204,119</b>	<b>\$371,618</b>	<b>\$593,500</b>

\*The House Subcommittee requested more information on these items.

PROGRAMS

University Centers	\$600,000	\$600,000	\$600,000
Research Matching	610,000	1,000,000	927,500
SBIR Matching	150,000	300,000	250,000
Research Equipment	295,000	700,000	400,000
Special Projects	0	-	300,000
Indus.Liaison Oper.	0	-	150,000
Incubator Program	125,000	250,000	-
Seed Capital	500,000	750,000	750,000
<b>SUBTOTAL PROGRAMS</b>	<b>\$2,280,000</b>	<b>\$3,600,000</b>	<b>\$3,377,500</b>
<b>TOTAL</b>	<b>\$2,484,119</b>	<b>\$3,971,618</b>	<b>\$3,971,000</b>

The House has recommended that staff operations be funded from the State General Fund and that programs be funded from EDIF.

KTEC further recommends the following:

1. Research Matching Grants It is recommended that for firms with fewer than fifty employees, KTEC fund up to 50 percent of a project.
2. University Centers It is recommended that there be no matching requirement for "core" funding.
3. Minimum Threshold Funding KTEC requests that this requirement be deleted from its enabling legislation (K.S.A. 1987 Supp. 74-8111(c)).
4. Special Projects Fund KTEC requests reappropriation of any unexpended FY88 funds to FY89.

Table 3 gives a summary of KTEC's FY 1988 supplemental request.

KTEC  
Summary of FY 1988 Supplemental Request

<u>Item</u>	<u>Amount Requested</u>
100 Salaries & Wages	\$35,450
200 Communications	3,000
220 Printing & Advertising	0
230 Rent	5,625
250 Travel	3,358
270 Professional Fees	15,000
370 Stationery & Supplies	3,000
400 Capital Outlay	34,179
<hr/>	
TOTAL SUPPLEMENTAL REQUEST	\$99,612

Table 4 demonstrates the relationship between the FY 1988 supplemental request and the FY 1989 budget pertaining to capital outlay.

KTEC  
Capital Outlay

<u>Item</u>	<u>Overall Need</u>	<u>FY88 Supplemental Applicable to FY89</u>	<u>Remaining FY89 Need</u>
Furniture	\$10,708	\$(10,708)	\$0
Computer Equipment & Software	19,374	(19,374)	0
Telephone System	3,000	(3,000)	0
Other Equipment	6,918	(1,097)	5,821
<hr/>			
TOTAL	\$40,000	\$(34,179)	\$5,821



Table 5 shows the impact of the House recommendations on KTEC's FY 1988 operations and programs.

TABLE 5

FY 1988 BUDGET COMPARISON

OPERATIONS	House Appropriations			SGF	KTEC		Deficit	
	SGF	EDIF	Total		EDIF	Total	House	KTEC
IN PLACE:	\$212,722	-	\$212,722	\$212,722	-	\$212,722	-	
SUPPLEMENTAL:								
Salaries/Wages	-	-	-	\$35,450	-	\$35,450	\$(35,450)	
Communications	\$3,000	-	\$3,000	3,000	-	3,000	-	
Print. & Adv.	-	-	-	-	-	-	-	
Rent	-	-	-	4,110	-	4,110	(4,110)	
Travel	3,358	-	3,358	3,358	-	3,358	-	
Professional Fees	-	-	-	15,000	-	15,000	(15,000)	
Technology Expo	-	-	-	-	-	-	-	
Office Supplies	-	-	-	3,000	-	3,000	(3,000)	
Capital Outlay	-	-	-	35,694	-	35,694	(35,694)	
Comm. Exp./Hospit.	2,000	-	2,000	-	-	-	(30,000)	
<u>SUPPL. SUBTOTAL</u>	<u>\$8,358</u>	<u>-</u>	<u>\$8,358</u>	<u>\$99,612</u>	<u>-</u>	<u>\$99,612</u>	<u>(91,254)</u>	
OPERATIONS TOTAL	\$221,080	-	\$221,080	\$312,334	-	\$312,334	\$(91,254)	
PROGRAMS (Total FY88 Budget)								
Univ. Centers	-	600,000	600,000	-	600,000	600,000	-	
Res. Match.Gr.	55,000	755,000	810,000	305,000	505,000	810,000	-	
SBIR Match.Gr.	150,000	-	150,000	130,000	-	130,000	20,000	
Res. Equip./SP	-	100,000	100,000	-	395,000	395,000	(295,000)	
Tech Transfer	-	25,000	25,000	-	25,000	25,000	-	
Incubator Prog.	-	125,000	125,000	-	125,000	125,000	-	
Seed Capital	-	500,000	500,000	-	500,000	500,000	-	
PROGRAM SUBTOTAL	\$205,000	\$2,105,000	\$2,310,000	\$534,612	\$2,150,000	\$2,684,612	\$(275,000)	
TOTAL	\$213,558	\$2,105,000	\$2,531,080	\$747,334	\$2,150,000	\$2,897,334	\$(366,254)*	

\*\$362,643 reappropriated to FY89 (\$295,000 EDIF for Res.Eq.Grants;\$67,643 SGF for operations) 3,611 for FY88 fringe benefit adjustment

The following Tables demonstrate the need for monies pertinent to the operations and facility needs of KTEC.

TABLE 6  
 FY89 Staffing

Positions (1)	(2)	(3)	(4)
1. President	1.	1.	1.
2. Vice President	2.	2.	2.
3. Adm. Assistant	3.	3.	3.
4. Executive Secretary	4.	4.	4.
5. Fund Manager	5.	5.	5.
6. Editor-Publisher	6.	6.	6.
7. Investment Analyst	7.	7.	--
8. Marketing Manager	8.	--	--
9. Programmer Analyst	--	--	--

TABLE 7

FY89 Committee Expenses

I. University Centers Committee

- A. Establish qualification criteria
- B. Establish performance criteria
- C. Visit Centers at out-of-state institutions
- D. Visit other state governments -- ascertain methods of funding Centers
- E. Work with universities in writing their business plans

\$10,000.00

II. Financial Advisory Committee

- A. Prepare strategic plan for the Seed Capital Fund
- B. Select the form of the Subsidiary Corporation
- C. Determine proper funding levels
- D. Establish an investment philosophy
- E. Establish criteria for investment evaluation
- F. Establish relationships with other venture capitalists
- G. Establish methodology for determining expected return on investments
- H. Select a fund manager
- I. Solicit projects
- J. Visit other state seed capital operations (ex., Pennsylvania, Utah, Massachusetts)

\$ 5,000.00

III. Research Matching Grant Committee and SBIR

- A. Develop policy and procedures for monitoring projects
- B. Develop submission and review process
- C. Develop assessment criteria for evaluation

\$ 5,000.00

IV. Board of Directors

- A. Four-plus meetings per year

\$10,000.00

V. Board Retreat

\$ 2,000.00

TABLE 8  
FY89 Communications

- I. Correspondence
  - A. Stationery
  - B. Postage (included express mail service)
  - C. FAX
- II. Telephone
  - A. In-state
    - 1. Basic Service Fees
    - 2. Long Distance
      - a. Universities
      - b. Business and Industry
      - c. Local Governments
      - d. Civic Organizations
      - e. Individuals
  - B. Out-of-state
    - 1. Other States' Advanced Technology Organizations
    - 2. Federal Government Agencies
    - 3. Advanced Technology Companies
    - 4. PEER REVIEW Consultants

TABLE 9  
FY89 Printing and Advertising

- I. Printing
  - A. Program Guidelines
  - B. Announcements
  - C. Newsletters
  - D. Business Plans
  - E. Marketing Information
  - F. Publications
  - G. Stationery
  - H. Annual Report
- II. Advertising for our
  - A. Conferences
  - B. Workshops
  - C. Meetings
- III. Marketing in
  - A. Publications
  - B. Newspapers
  - C. Association Magazines and Journals
  - D. Conferences
  - E. Workshops
  - F. Meetings

TABLE 10  
FY89 Rent

(KTEC will require approximately 2,500 square feet)

- I. KTEC Offices
- II. Seed Capital Corporation
- III. Staff
- IV. On-loan Corporate Scientists
- V. Graduate Student Interns

KTEC will also require a:

- I. Conference Room
- II. Library
- III. Printing/Publishing Room
- IV. Reception Area

Costs:

It is possible that KTEC can obtain the needed space for approximately \$9.00 per square foot. Moreover, the location will be near the Capitol Building.

OFFICE SPACE

7	14x13 (1274)	Executive Offices
4	14x11 ( 616)	Other Offices
1	( 250)	Reception Area and Office
1	18x30 ( 540)	Conference Room
1	( 200)	Storage and Miscellaneous
	<u>          </u>	
	(2880)	

2500' x \$9.00 sq. ft. = \$22,500

TABLE 11  
FY89 Travel

- I. In-state (for Staff, Directors and Committee Members)
  - A. Universities
  - B. Civic Organizations
  - C. Professional Organizations
  - D. Local Government Organizations
  - E. Businesses
  - F. Conferences
  - G. Workshops
  - H. Other Meetings
  
- II. Out-of-state (for Staff, Directors and Committee Members)
  - A. Visit other states' advanced technology development programs
  - B. Visit other states' university Centers of Excellence
  - C. Attend national meetings on advanced technology development
  - D. On-site visits to advanced technology companies
  - E. Attend Conferences
  - F. Federal government agencies concerning grants and contracts

TABLE 12  
FY89 Conferences

Purpose: To bring together the people, disciplines and institutions that will play a vital role in the State's efforts to develop an advanced technology economy.

Budgets: The budgets will be based upon the following:

- 1. Advertising
- 2. Mailing
- 3. Brochures
- 4. Programs
- 5. Telephone
- 6. Travel
- 7. Committee Expenses
- 8. Guest Speakers
- 9. Meals
- 10. Facility Rental

TABLE 13  
FY89 Professional Services

- I. PEER REVIEW Consultants
- II. Accountants (external audit and due-diligence)
- III. Corporate Attorneys
- IV. Market Assessments
- V. Art Work
- VI. Consultants

TABLE 14  
FY89 Capital Outlay

I. Furniture

L-shaped Desks	2	\$1,850
Receptionist Desk	1	765
Lg. Secretarial Desk	1	779
Executive Chairs	2	720
Side Chairs	2	360
Reception Room Chairs	4	720
Lamp table	1	80
Coffee Table	1	100
Lamp	1	40
Pictures	4	160
Conference Table	1	800
Conference Table Chairs	14	2,724
Regular Filing Cabinet	1	180
Fire-Proof Filing Cabinet	1	640
Supply Cabinet	1	160
Bookshelves	6	630
Subtotal		\$10,708

TABLE 14 (continued)

II. Computing Equipment and SoftwareDesktop Publishing System

IBM 8530-P01	Publishing system unit/keyboard with Pageprinter Adapter, PS/2 Mouse and 8512 Color Display	1	\$3,413	\$3,413
IBM 4216-020	Pageprinter software package	1	2,199	2,199
IBM 3117-010	Scanner and Extension Unit, 3117 Adapter, 5.25 inch ext. diskette drive adapter, 4869-001 Sys/2 5.25 inch diskette drive	1	2,299	2,299
	Annual Hardware Maintenance Contract	1	484	484
	Pageprinter Adapter Program 3.50, DOS 3.30, Page-maker 3.50 inch media	1	1,287	1,287
	Imagedit and Microsoft Windows 3.50 inch	1	288	288
<hr/>				
	Subtotal			\$9,970

The desktop publishing system will be used for word processing and for newsletter and announcement preparation. It is anticipated that this will pay for itself within three years.

Personal Computer Systems

IBM PS/2 50	Microcomputer with 20MB disk, DOS operating system, color monitor	1	3,021	3,021
IBM PS/2 30	Microcomputer with 20MB disk, DOS operating system, color monitor	2	2,110	4,220
IBM XL24	Proprinter	2	734	1,468
	Giltronix Peripheral Share Device	1	695	695
<hr/>				
	Subtotal			\$9,404

III. Telephone System Installation

Est. Total \$3,000

IV. Other Equipment

Copy Machine	\$3,608
Trade Show Booth	1,500
Misc. Equipment	1,810
TOTAL	<hr/> \$6,918



# MASTER MACHINE TOOLS, INC.

P.O. Box 1627                      600 Scott Blvd.  
Hutchinson, KS 67504-1627      So. Hutchinson, KS 67505  
PHONE 316 663-4451              TLX 37-33357  
Facsimile 316-663-8894

March 16, 1988

SENATE SUB-COMMITTEE TESTIMONY  
Three Axis Work Station, Matching grant program.

GENTLEMEN,

FIRST THANK YOU FOR THE OPPORTUNITY TO SPEAK ON BEHALF OF WHAT WE AS KANSAS MANUFACTURERS CONSIDER AN EXTREMELY IMPORTANT AND MEANINGFUL ECONOMIC DEVELOPMENT TOOL.  
**THE RESEARCH MATCHING GRANT PROGRAM**

WITHOUT A PROGRAM SUCH AS THIS, THE MASTER MACHINE PROJECT WOULD NOT HAVE BEEN COMPLETED IN KANSAS. MORE LIKELY IF IT WAS DONE AT ALL IT WOULD HAVE BEEN AT OUR SISTER COMPANY, CAMPBELL AUTOMATION IN HICKORY, NORTH CAROLINA.

BECAUSE WE ARE A SMALL COMPANY, WE WOULD NOT NORMALLY BE ABLE TO ATTEMPT A RESEARCH PROJECT OF THIS MAGNITUDE ON OUR OWN.

WHEN THE PROJECT WAS PROPOSED, OUR PRESIDENT ED MARKEL WAS ASKED TO PRESENT IT TO OUR HOME OFFICE IN CHICAGO ILL.

THE FIRST REACTION WAS THAT ANOTHER DIVISION; CAMPBELL AUTOMATION IN HICKORY NORTH CAROLINA WAS CURRENTLY INVOLVED IN A SIMILAR PRODUCT AND THAT THERE DID NOT APPEAR TO BE ANY NEED TO DUPLICATE EFFORTS. MR. MARKEL WAS TOLD TO GO TO HICKORY TO SEE WHAT THEY WERE WORKING ON. HE DETERMINED THAT WE WERE NOT DUPLICATING THEIR MACHINES AND THAT WE WERE APPROACHING A COMPLETELY NEW SEGMENT OF THE POTENTIAL MARKET.

QUITE SIMPLY BECAUSE THE STATE OF KANSAS WAS PROVIDING PARTIAL FUNDING FOR THE RESEARCH AND ASSISTANCE FROM THE UNIVERSITIES AND BECAUSE NORTH CAROLINA WAS NOT, WE WERE ALLOWED TO PROCEED.

IN ADDITION ANOTHER MAJOR BENEFIT OF THIS PROJECT IS THAT IT WILL PROVIDE US, AND AS SUCH THE STATE OF KANSAS, WITH AN INVALUABLE TOOL WITH WHICH TO GENERATE SALES FOR MASTER AND JOB OPPORTUNITIES FOR THE STATE OF KANSAS.

Attachment II  
Senate Eco Dev  
3-16-88

**MASTER**  
MACHINE TOOLS, INC.

BECAUSE OF THE UNIQUE NATURE OF THE WORK CENTER AND ITS BROAD MULTI-INDUSTRY APPLICATION POTENTIAL, WE FEEL THAT THE MOST EFFECTIVE MARKETING STATEMENT WE CAN MAKE IS TO PHYSICALLY DEMONSTRATE THE CAPABILITY TO POTENTIAL PURCHASERS.

ON OUR OWN, WITHOUT THE GRANT, WE WOULD NOT HAVE BEEN ABLE TO AFFORD THE EXPENSE OF A MACHINE OF THIS COST THAT WOULD BE USED SOLELY FOR RESEARCH, EXPERIMENTATION AND DEMONSTRATIONS.

TO DATE WE HAVE DISPLAYED THE MACHINE AT THE WICHITA INDUSTRIAL TRADE SHOW, WITH A SIGN EXPLAINING THE JOINT NATURE OF THE PROJECT.

NEXT WEEK WE ARE DISPLAYING IT AT THE WESTEC TOOL SHOW IN LOS ANGELES AND IT IS SLATED TO BE DISPLAYED IN SEPTEMBER IN THE LARGEST MACHINE TOOL SHOW IN THE WORLD..IMTS IN CHICAGO.

RESPONSE TO DATE HAS BEEN EXCEPTIONAL. AFTER WE COMPLETE OUR SCHEDULED TRADE SHOWS, WE INTEND TO RETURN IT TO HUTCHINSON KANSAS AND USE IT TO CONDUCT IN-PLANT DEMONSTRATIONS.

WHILE IT IS TOO EARLY TO ACCURATELY PROJECT THE ANTICIPATED SALES. THE LEVEL OF INTEREST WOULD LEAD US TO BELIEVE THAT SALES IN THE RANGE OF 2 TO 4 MILLION DOLLARS PER YEAR ARE POSSIBLE. IF WE WOULD REALIZE SALES AT SUCH A LEVEL, WE WOULD ESTIMATE THAT FROM 12 TO 24 ADDITIONAL PEOPLE WOULD BE NEEDED.

WE HAVE INCLUDED SALES LITERATURE AND COPIES OF VARIOUS PRINTED ITEMS THAT WILL BE USED IN THE MARKETING PROCESS. AS YOU CAN SEE, WE ARE COMMITTED TO THE SUCCESS OF THIS PROJECT BOTH IN TERMS OF PEOPLE AND FUNDS.

AGAIN WITHOUT THE INITIAL SUPPORT OF THE STATE OF KANSAS IN THE SHAPE OF THE MATCHING FUNDS GRANT PROGRAM THE SYSTEM AS IT IS TODAY, PROBABLY WOULD NOT EXIST, AND IF IT DID IT VERY LIKELY WOULD EXIST IN ANOTHER STATE.

THANK YOU FOR YOUR TIME AND CONSIDERATION.

Kansas Wheat Commission testimony before the Senate

Ways and Means Subcommittee, 12:30 pm, March 16, 1988

Good afternoon, Senators. My name is David Frey, and I am assistant administrator of the wheat farmer funded state agency, the Kansas Wheat Commission. On behalf of Kansas wheat producers, we are here today to congratulate the KTEC group on their foresight and timing in funding Hard White wheat development in Kansas and in the success of their pivotal role in the formative stages of an alternative crop and income-enhancing opportunity for Kansas.

States in the Pacific Northwest produce Soft White, Hard Red Winter and Hard Red Spring wheat. The Minnesota/North Dakota area produces Hard Red Spring and Durum, a very hard white wheat. The Desert Southwest produces Hard Red Winter wheat and Durum. But Kansas, Colorado, Nebraska and Oklahoma traditionally produce winter wheats with a reddish bran coat. This is almost exclusively Hard Red Winter wheat with some Soft Red Winter in Eastern Kansas.

For many years, the Kansas Wheat Commission was urged to look into Hard White wheat production in Kansas. Milling consultants who had travelled overseas for U.S. Wheat Associates such as KSU Professor Emeritus Arlin Ward told the commission there is no preference anywhere in the world for red wheat over white wheat based on color. However, there are markets, including England and Japan, where flour is ground to a color standard and so prefer white wheats over red. At the same time, KSU Professor Emeritus Elmer Heyne returned from a sabbatical in Australia where all

*Attachment III*  
*Senate Eco Devo*  
*3-16-88*

commercial wheats are white, and was convinced a Hard White Winter wheat was something Kansas should develop. Meanwhile, occasional White wheat kernels were resulting from the myriad of public and private wheat breeding crosses made in greenhouses and experiment fields in the region. Some programs were segregating the unconventional kernels, and other programs were simply discarding them. K-State was keeping them separate. One private breeder in Kansas even released a Hard White Wheat variety, but it never really caught on to the extent that there are no known acres of it grown commercially today.

At the start of the 1980s, KSU agronomists petitioned the KWC to help underwrite their small but determined program to isolate and develop some high quality Hard White Winter wheat prototypes. Five years later and after a Kansas Wheat Commission investment of some \$77,000, the results were looking very promising, and a large private wheat breeding company was eager to know if KSU was going to gear up for Hard White Wheat or let it go. That private wheat breeding company was at a stage in their own development of Hard White wheat that it had to either make some substantial investments into seed increase or get out of Hard White wheat. They also knew from past experience that one company acting alone can't just up and change a more than century old tradition of red wheat in the biggest wheat producing area in North America. All the parties involved knew that if Hard White wheat stood a chance of being a successful alternative crop in Kansas, it would have to be produced, handled, graded and marketed properly. That meant, among other things, the end users had to believe there would be a consistent source of supply. Wheat varieties perform well for only about five years and then need to be replaced, therefore an on-going variety development program similar to variety

development for Hard Red Winter wheats would be needed. Also, elevator operators, grain graders, flour millers and end users would need to be apprised of the differences and changes made to accommodate this new class of wheat.

It was at this juncture that the Kansas Wheat Commission and Kansas State University petitioned the State of Kansas, KTEC, for the needed influx of matching capital to move forward the evaluation and eventual production of Hard White Winter wheat. To qualify for the match, the Kansas Wheat Commission, upon reviewing the potential of this undertaking and in consultation with the administration at Kansas State University, rewrote nearly all research contracts which the commission currently had with KSU to initiate the needed funding and emphasis on developing and evaluating Hard White wheats.

Based on this joint undertaking and commitment by the state of Kansas brought about by KTEC matching funds, the major private wheat breeding companies are also investing heavily in Hard White wheat. They have more than 1,000 acres in the ground right now that will be used strictly for evaluation. Twelve different private companies are evaluating these new wheats in the U.S. and abroad. New product development potential would arise from white wheat production in the area, for example the use of white bran in breakfast cereals. With continued support there are high hopes for the potential of this alternative crop in the Great Plains. Kansas as the largest wheat producing state in the nation naturally stand to gain the most from economic benefits accruing from wheat sales.

The Kansas Wheat Commission stands ready to again this year commit the necessary \$250,000 plus in wheat farmer funds to match state funding and to continue the development of HWW. KTEC has chosen wisely a project

that will favorably impact the future of Kansas. The continuation of KTEC matching funds is an investment in the economic health of the Wheat State



**KANSAS ASSOCIATION OF WHEAT GROWERS**  
**"ONE STRONG VOICE FOR WHEAT"**

TESTIMONY

Senate Committee on Economic Development  
Senator Winte Winter, Jr. - Chairman

HB-2808

Mr. Chairman, members of the committee, I am Howard W. Tice, Executive Director of the Kansas Association of Wheat Growers. I appreciate this opportunity to appear today to discuss the Kansas Technology Enterprise Corporation.

There is a great need for economic development in Kansas today. One of the key phrases is "value-added." If we can take a basic product and process it in Kansas, we add value to that product, and add to the economic benefit for our state. There are many areas in an economy as diverse as the Kansas economy, where value-added research can be beneficial.

According to the Redwood-Krider economic development study, "Only basic sector industries have the potential to expand employment and output, and thereby expand the non-basic industries that depend on them. And in light of government's limited resources, it is essential to concentrate economic development funds on the basic industries." The newspaper article quoted also defines basic industries as agriculture, and mining and manufacturing.

The Kansas Association of Wheat Growers is heading a Task Force on Hard White Winter Wheat for Kansas. Kansas State University and some private seed companies and individuals are also involved in research on white wheat.

Hard White Winter Wheat has a higher flour yield than the Hard Red Winter Wheat traditionally grown in Kansas. This enhances its value to the milling industry. It also produces a fibre-rich, whole wheat product with a sweeter taste than Hard Red Winter Wheat. This enhances the marketability of the breads and cereals that can be made from Kansas wheat. In the export market, some countries forbid the bleaching of flour, but their people still want a high fibre, white bread. White wheat can fill that gap.

Due to the wheat classification system, an identity preserved marketing scheme is necessary to handle white wheat, in order to prevent the devaluing of both red and white classes. The system that is being considered by the KAWG task force appears to offer higher returns to the producer, which will be circulated throughout the economy, and will be beneficial to agriculture's support industries, as well as the state as a whole.

There are problems with white wheat that must be solved. The varieties which are now available have a strong tendency to sprout in the head when exposed to too much moisture. That limits production to the southwest part of the state, and it can be a problem even there, in years of above normal rainfall. White wheat is also more prone to some diseases, so the possibility of crop failure is still too high. However, research is going on to solve these problems, and KTEC is helping to fund some of that research.

KTEC's support of white wheat research is needed to bring this alternate crop to Kansas, and to help attract the baking and cereal manufacturing enterprises that can use Hard White Winter Wheat.

The possibilities for economic development with white wheat are real. KTEC's help has been invaluable and is greatly appreciated.

Attachment IV  
Senate Eco Devo  
3-16-88

Summary of Governor's Proposal for the Kansas Main Street Program  
Fiscal Year 1989

Of the total recommendation by Governor Hayden of \$128,000 for the Kansas Main Street Program with the National Main Street Center, the breakdown is as follows:

General Revenue Funds and Private Monies

\$48,000	State General Funds to add 2 cities to the contract program with the National Main Street Center (NMSC) (add to current 7 cities for a total of 9 cities in FY89)
\$ 5,000	Private contributions to go towards the contract with the NMSC
<u>\$53,000</u>	Total

Economic Development Initiative Fund

\$24,000	Revenues to support contract with NMSC to add 3 cities of populations <u>under</u> 5,000 to Kansas Program (add to current 7 cities plus 2 cities proposed under General Funds for total of 12 cities in FY89)
\$51,000	Designated for the 3 small cities - use to be determined upon assessment of needs
<u>\$75,000</u>	Total

Attachment V  
Senate Eco Dev  
3-16-88



Summary of Funding and Expenditures

KANSAS NATIONAL MAIN STREET PROGRAM

FUNDING

	<u>State Funding</u>	<u>Private Funding</u>	<u>Total FY</u>
FY86	\$40,000	\$26,700	\$66,700
FY87	\$40,000	---	\$40,000
FY88	\$48,000	\$2,900	\$50,900
<hr/>			
<b>TOTAL</b>	\$128,000	\$29,600	\$157,600

To date, funding for the contract with the National Main Street Center has provided direct technical assistance to the designated cities. No funds have been provided directly to these cities.

Prepared by Kansas Department of Commerce 3/15/88

## Examples of

### TECHNICAL ASSISTANCE THROUGH THE NATIONAL MAIN STREET CENTER

(specific services have varied according to the level of funding for the state program and the needs of the local programs)

Reconnaissance visits - on-site visits by the Program Associate of the NMSC and State Main Street Coordinator to introduce the program locally, familiarize themselves with the community, provide input on the selection of the Project Manager, and assess the needs of the community for future technical assistance. Organizational workshops have been included in some of the reconnaissance visits.

Project Manager/Board Training - intensive introductory training at one location in the early months of designation by the Program Associate, consultants of the NMSC, and state resources on the comprehensive approach to downtown revitalization in the areas of Organization, Promotions, Design, and Economic Restructuring.

Resource Team Assessments - on-site visits by the Program Associate, the State Coordinator, and several consultants provided by the NMSC to assess the local program and make comprehensive recommendations for specific program goals and objectives.

Topical On-Site Visits - visits by the Program Associate, State Coordinator, and a consultant provided through the NMSC to address a specific issue or topic that has been identified as a priority issue by the local program.

Project Manager Meetings - meetings attended by the Project Managers (and Board members occasionally) of the designated cities. Some meetings have consultants provided through the NMSC to address a topic identified by the Managers. Others have speakers provided by the state program or have organized discussion sessions to share information from each of the cities' programs.

Year-End Evaluations - on-site evaluations conducted by the Program Associate and State Coordinator to assess the effectiveness of the local program and to plan the program of work for the coming year.

Telephone/Resource Assistance - telephone contact with Program Associate and resources of the NMSC to locate information on priority issues within a community or to assist with a sudden problem.

KANSAS CITIES APPLYING FOR NMSC PROGRAM

Cities applying for 1986 NMSC Designation

(cities selected are in bold)

Hutchinson  
Salina  
Junction City  
**Manhattan**  
**Lawrence**  
Council Grove  
Yates Center  
Chanute  
Parsons  
Fort Scott  
**Independence**  
**Winfield**  
Dodge City

Cities applying for 1987 NMSC Designation

**Dodge City**  
**Fort Scott**

Cities applying for 1988 NMSC Designation

Funding levels did not allow for the addition of cities in this fiscal year

Cities indicating interest as of 3/14/88 in 1989 NMSC Program

(populations in parentheses)

Stafford (1,425)	Atchison (11,407)
Peabody (1,474)	McPherson (11,753)
Rose Hill (1,557)	Coffeyville (15,185)
Meade (1,777)	Hays (16,301)
Osborne (2,120)	Great Bend (16,608)
Oberlin (2,387)	Pittsburg (18,770)
Girard (2,888)	Emporia (25,287)
Burlington (2,901)	Olathe (37,258)
Holton (3,132)	Salina (41,843)
Wamego (3,159)	Kansas City (161,148)
Columbus (3,426)	
Russell (5,427)	

STATE OF KANSAS



DEPARTMENT OF COMMERCE  
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Topeka, Kansas 66603-3957  
Phone (913) 296-3481  
Telex No.—4931494KS

Mike Hayden, *Governor*

Harland E. Priddle, *Secretary*

KANSAS DEPARTMENT OF COMMERCE

**Technical Assistance for Downtown Revitalization  
for 1988**

Throughout Kansas there is a growing interest in improving the appearance, vitality, and economic stability of downtown business districts. For many communities, Main Streets are in a state of decline and the issues of decreasing population, loss of business, and maintaining the economic strength of downtowns are crucial to the survival of our cities.

The Kansas Main Street Program focuses on downtown revitalization because downtown provides a significant amount of jobs and income for local residents, provides a net tax revenue that supports local government services received by other parts of the community, and acts as the focal point for not only commercial, but social and cultural aspects of community life.

Downtown is important to the well-being of a community for other reasons as well. First, downtown is one of the oldest areas of the community and contains many structures of importance to the community's heritage. Second, downtown encompasses an area of substantial public and private capital investment in buildings, streets, utilities, and parks. Third, downtown's central location makes it convenient; time, energy, and money are conserved in getting there. Finally, and perhaps most important, downtown is an expression of what a community thinks of itself. It is the primary source of a community's identity and pride. Thus, by enhancing the image of downtown, a community can improve its chances of maintaining a healthy economic and social base that will continue to grow and prosper.

Well planned and faithfully executed downtown revitalization programs can:

- result in increased sales,
- accomplish significant revitalization within the financial means of the community,
- bring together community leadership: governmental, financial, commercial, and organizational,
- act as a catalyst for the initiation of other economic

- development activities, and  
- result in the preservation of significant historical structures.

The Kansas Main Street Program follows the Four Point Approach developed by the National Main Street Center, a division of the National Trust for Historic Preservation, in recognizing that successful downtown revitalization includes a comprehensive approach to management and organization, the promotion of the downtown district as a unit, the economic restructuring of vacant or underutilized buildings, and attention to the physical design and maintenance needs of the district.

**The National Main Street Center Methodology advocates:**

- 1) A comprehensive approach to downtown revitalization, unlike such past efforts as urban renewal, pedestrian malls, facade cover-ups, or a major development project;
- 2) An incremental process, recognizing that just as downtowns did not decline overnight, neither will they be revitalized immediately. Downtown revitalization requires a step-by-step process;
- 3) A self-help program. The basic ingredients for any successful downtown improvement program include effective local leadership and community interest and support. Self-help requires a willingness and commitment by the community to shape its own destiny. If a community lacks that desire, no amount of federal money or outside technical assistance will create a lasting improvement;
- 4) A public/private partnership between merchants, building owners, local governments, lending institutions, and organizations;
- 5) The use of existing assets already developed within the downtown;
- 6) Quality in all aspects of the process --- from workmanship and building materials to promotional efforts and organization;
- 7) The need to change attitudes about the downtown; and
- 8) An implementation-oriented approach to downtown revitalization.

## The Kansas Main Street Program

In response to requests for downtown assistance from communities throughout the state, the Kansas Main Street Program was created in 1980 through the Kansas Department of Commerce. This program provides direct technical assistance to communities in developing strategies for downtown revitalization. Services available include elements such as telephone consultations on a specific problem, topical materials from the Resource File, presentations at community meetings, copies of the Kansas Main Street Newsletter, organizational workshops, and formalized Resource Team projects with communities who have submitted applications. The program does not provide funds for actual development.

Applications for Resource Team projects are reviewed periodically and projects are selected on a competitive basis according to the perceived level of readiness within the community. No cash commitment is required of the community, but in-kind assistance (office space, staff time, limited photocopying, etc.) is often necessary.

Resource teams from KDOC work together with the local Main Street committee, Chamber of Commerce, city officials, merchants, property owners, civic groups, and others to develop revitalization strategies which utilize an incremental self-help approach. Resource teams are typically composed of KDOC staff and volunteer "consultants" from within the state. Team members are professionals that bring a broad range of practical experience to the Resource Team which enable them to objectively evaluate the needs of the client communities and develop realistic, achievable recommendations for the future.

The Resource Team spends approximately four to five days in a community, interviewing various groups and developing revitalization strategies that are the direct result of community input and compatible with local resources. When the strategies have been developed by the Team, an oral presentation is made to the community at a public meeting. Following the presentation, the Team meets with the downtown leadership to prioritize the recommendations, answer questions, and assist the leadership in organizing their implementation efforts. The Team then prepares a written report, which summarizes the recommendations in greater detail.

### Kansas Main Street Resource Team Projects Completed:

Fort Scott	WaKeeney	Russell
Goodland	Winfield	Stockton
Marion	Columbus	Hoisington
McPherson	Eureka	Hays
Norton	Hiawatha	Pittsburg
Sabetha	Dodge City	Leavenworth
Scott City	Smith Center	
Valley Center	Parsons	

## The Kansas Main Street Project

In 1985, Kansas executed a contract with the National Main Street Center (NMSC), a division of the National Trust for Historic Preservation, to initiate the Kansas Main Street Project. This program provides direct technical assistance and training by the NMSC staff and consultants to selected Kansas communities. The National Main Street Center requires that each of the communities selected hire a full-time downtown project manager.

A goal of Main Street is to help create an atmosphere conducive for attracting re-investment and new investment into downtown. This is accomplished by implementing a balanced, comprehensive revitalization program with the guidance of the project manager.

The criteria for cities to apply for the program require that they: 1) have a population generally between 5,000 and 50,000; 2) demonstrate a strong community commitment to the National Main Street Center's four point approach; and 3) make a commitment to hire and fund a full-time Main Street project manager and program for at least one year (three years are preferred).

In the past two years, the NMSC has initiated an urban program, utilizing similar comprehensive strategies which have been adapted for use in an urban environment. Additionally, the Center now anticipates the development of program services for cities under 5,000 population. These developments are significant for Kansas, as any city in the state could now potentially qualify for technical assistance through the National Main Street Program in Kansas.

Program elements for the selected cities are negotiated with the National Main Street Center depending on the availability of funds, level of services required, and number of cities participating. Generally, reconnaissance visits are made into each of the project cities to visit the sponsoring organization and identify specific needs for subsequent training and resource team personnel. Subsequent training opportunities may include resource teams, single-issue on-site visits, comprehensive training for board members and project managers, or other topical workshops. Each program is tailored to address the unique challenges found in that city.

Quarterly meetings with the project managers offer additional training opportunities and expand the information network within the state. As more communities are selected the information network expands, thus providing an informal but effective resource of Kansans helping Kansans. In addition, a monitoring system has been established to consistently gather results of the project.

1986 Main Street Project Cities

Hutchinson  
Independence  
Lawrence  
Manhattan  
Winfield

1987 Main Street Project Cities

Dodge City  
Fort Scott

Prepared by the Kansas Department of Commerce  
January 4, 1988



PRESENTATION

to

SENATE SUBCOMMITTEE  
ON WAYS AND MEANS

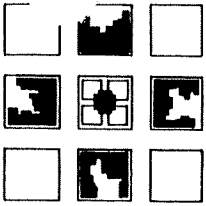
by

BRENDA M. MANSKE  
Executive Director  
Southeast Kansas Tourism Region, Inc.

Secretary and Legislative Chair  
Kansas Downtown Development Association

March 16, 1988

*Attachment VI*  
*Senate Eco Dev*  
*3-16-88*



# KANSAS DOWNTOWN DEVELOPMENT ASSOCIATION

P.O. BOX 2836  
TOPEKA, KANSAS 66601

## KANSAS DOWNTOWN DEVELOPMENT ASSOCIATION SUPPORTS FULL BUDGET FUNDING FOR KANSAS NATIONAL MAIN STREET PROGRAM

Kansas Downtown Development Association (KDDA), a statewide organization formed in 1981 to promote and assist in the development and redevelopment of Kansas downtowns, supports Governor Mike Hayden's recommended funding to the Kansas Department of Commerce for the National Main Street Program in F.Y. 1989. KDDA also supports F.Y. 1989 state funding to KDOC for additional staff to serve the Main Street program, particularly targeting funds for an architect to provide needed design support to the program.

By way of background, many cities in Kansas are recognizing the need for economic revitalization programs in their central business districts. A declining business district is a liability for local government and likewise creates an image problem for a community, leaving its residents with a diminished sense of community pride. A deteriorating business district similarly creates a negative impression for expanding business and industry, whose representatives focus on cities with economically active, attractive and viable downtown business centers.

The Kansas Main Street Program is a self-help, technical assistance program aimed at reversing the decline of downtowns and returning them to their traditional role as civic centers for cultural and business activity. This management program is directed toward improving local leadership and marketing techniques, preserving

existing buildings and landmarks and revitalizing the downtown economy. The program focuses on improving the image of downtown, thereby increasing a community's chances of maintaining a healthy socio-economic base that will continue to grow and prosper in the future.

To aid in this revitalization effort, the Kansas Legislature has set aside funds through the Kansas Department of Commerce to contract with the National Trust for Historic Preservation for technical assistance to selected Kansas communities. Funding in F.Y. 1987 totaled \$83,572 (state and private funds combined) to support assistance for five Kansas cities. In F.Y. 1987, this amount was reduced to \$53,000--sufficient funding to add only two additional cities to the program.

The State General Fund finances the contract with the National Main Street Center, which is a program of the National Trust for Historic Preservation. Individual cities are required to provide funds and facilities for their downtown programs, including a fulltime project manager, an operating budget, a promotions budget and travel expenses. Neither the State of Kansas nor the National Trust provide any funds to participating cities.

From January 1986 through December 1987, the seven Kansas National Main Street cities (Hutchinson, Independence, Lawrence, Manhattan, Winfield, Fort Scott and Dodge City) achieved impressive results from the Main Street Program:

- \* \$23,135,881 in private reinvestment
- \* 1,029 new jobs to the state of Kansas
- \* 316 individual building improvement projects

- \* 230 new/expanding/relocating down businesses

The Governor's recommended funding of \$75,000 for the Kansas National Main Street Program in F.Y. 1989 will allow two new cities with populations of 5,000 or over to join the program. More importantly, perhaps, this enhanced funding provides for the implementation of a small cities Main Street initiative designed for communities of less than 5,000. KDDA applauds this effort to improve conditions in economically disadvantaged small towns.

TESTIMONY BY RICHARD SHANK  
KANSAS FILM COMMISSION

AS A MEMBER OF THE KANSAS FILM COMMISSION, I WOULD LIKE TO FIRST EXPRESS OUR APPRECIATION TO THE KANSAS LEGISLATURE FOR YOUR PAST SUPPORT. YOU ARE TO BE COMMENDED FOR RECOGNIZING THE ECONOMIC IMPACT UPON THE STATE OF THIS INDUSTRY.

JUST A FEW YEARS AGO, KANSAS WAS IGNORED, FOR THE MOST PART, BY THE MOTION PICTURE INDUSTRY. FEW COMPANIES CONTACTED KANSAS BECAUSE THEY PROBABLY FELT THAT WE WERE NOT INTERESTED IN SEEKING PRODUCTIONS.

TODAY, IN 1988, KANSAS IS RESPECTED AMONG THE MOTION PICTURE INDUSTRY AS A LEADER. OUR TWO MEMBER STAFF, WHICH AS YOU KNOW, OPERATES WITHIN THE KANSAS DEPARTMENT OF COMMERCE, HAS BEEN DELUGED WITH REQUESTS FROM THE INDUSTRY FOR INFORMATION ON KANSAS.

THIS NEW RESPECT THAT KANSAS HAS GAINED IS DUE IN LARGE PART TO THE FACT THAT OUR LEGISLATURE HAS HAD THE FORESIGHT TO ANNUALLY INCREASE OUR APPROPRIATIONS. THESE INCREASES HAVE HELPED KANSAS SEE AN INCREASE IN THE AMOUNT OF MONIES SPENT IN KANSAS FOR FILM PRODUCTIONS. FOR EXAMPLE, IN 1985, FILM COMPANIES SPENT \$500,000 IN KANSAS. BY 1987, THAT FIGURE HAD INCREASED TO \$6,000,000. THAT'S \$6,000,000 THAT KANSAS GENERATED THROUGH YOUR SUPPORT OF THE FILM COMMISSION.

*Attachment VII  
Senate Eco Dev  
3-16-88*

I UNDERSTAND THAT THE CURRENT FISCAL YEAR ENDING JUNE 30  
WILL SHOW ANOTHER SIGNIFICANT INCREASE.

IN ORDER TO CONTINUE OUR MOMENTUM, WE NEED ADDITIONAL  
FUNDS AND MANPOWER TO ATTRACT MORE PRODUCTIONS.

OUR EFFORTS HAVE PASSED FROM THE INFANCY STAGE AND WE  
NOW APPROACH A TIME THAT KANSAS WILL BE CONSIDERED AS A SITE  
FOR EVEN MORE PRODUCTIONS. THE ECONOMIC IMPACT WILL CONTINUE  
TO GROW.

WE FEEL THAT IT WOULD BE A GOOD RETURN ON THE STATE'S  
INVESTMENT AND ONE THAT COMMUNITIES THROUGHOUT THE STATE CAN  
REAP THE BENEFITS.

THANK YOU.

Attachment VIII  
Testimony of Doug Curtis

Over the past two years you have heard from me regarding the benefits of the film industry and the continued growth of the Kansas Film Commission. Every year we have been able to return with an increase in the activity of the Kansas Film Commission and the revenue generated.

In FY'86, we told you that the State of Kansas had experienced a \$1.25 million profit as a result of film activity. In FY'87 the film commission assisted with projects that generated over \$6 million in revenue, a \$120 return for every dollar invested to lure production.

In FY'88 the film commission staff has assisted with four feature films, a documentary and several commercials. This activity has generated over \$7 million in direct revenue for the State of Kansas. With 3½ months left in the current fiscal year, the Kansas Film Commission staff is presently scouting several projects which may begin production in the near future; adding to the \$7 million figure.

Once again, I am here and the Kansas Film Commission has experienced an increase in production activity. As you can see, every year that you have demonstrated your support of the Kansas Film Commission's activities, the result has been an increase in revenues generated.

Attachment VIII  
Senate Eco Div  
3-16-88

However, film production is not only on the rise in Kansas, but also in North Carolina, Illinois, Florida, Texas, Iowa and virtually every state that funds a film commission and every Canadian province. To continue to compete, Kansas must be able to continue to provide immediate response to inquiries, advertise in the trades, and provide complete location services.

A good example of a state that has realized the economic potential that the film industry has represented to their state is North Carolina. Currently that state has four production studio complexes and a fifth under construction. In 1987, the State derived \$128 million in direct revenues from film activity. In addition to the impact of the Studios, North Carolina has strong governmental and private sector support.

The State of Kansas has the potential to realize such revenues. The industry's interest in Kansas has been demonstrated by the steadily increasing revenues generated during the past four years. However, the Kansas Film Commission has begun to reach a point of diminishing returns. The State must have the ability to answer the requests and needs generated by a successful program.

I am here today, as a representative of the Kansas Film Commission Advisory Council to request your continued support in the following areas:



New Positions

"C" Level Request

Economic Development Rep. II Range 23, Step A	\$23,598.00
Secretary I Range 13, Step A	\$14,484.00
	<hr/>
TOTAL	\$38,082.00

Currently, the Kansas Film Commission staff consists of the Coordinator, Assistant Coordinator and a half-time secretary. However, to meet our current workload and to continue to insure the growth we are experiencing, it is becoming more imperative that the film commission have the staff available to respond quickly. The "name of the game" in film production is to respond immediately to requests for assistance and have the staff available to provide full-time assistance to the production.

As production in the state continues to climb, two staff people are not enough. They must be able to scout locations for production requests, provide transportation for scouting when location managers, producers and directors are in the state and be available to provide on-site assistance while the project is being filmed - anywhere from six to eight weeks.

Currently, we are not able to meet these requirements. At this time, we have a production filming in Wichita, titled "Twister", and 30 projects we are actively scouting. In addition, the Kansas Film Commission staff is responding to 162 requests for directories and /or locaton information.

The Kansas Film Commission should have staff permanently available to work with "Twister." However, the staff is not able to do so because of the number of possible projects we are also scouting.

Additionally, when a production company is scouting five other states - Such as a current project for United Artist's "Rainman" starring Dustin Hoffman and Tom Cruise - the state commission's ability to devote full attention to a project is a major factor in deciding which state they will shoot in. It may seem like an inconsequential factor but the additional staff person we are requesting may be the difference between a \$10 million production shooting in Kansas or Missouri.

The Secretary I position is needed to support the workload that three staff persons will create. Currently, the Kansas Film commission shares a secretary with the travel and tourism staff. However, as the workload continues to increase for both the film commission and the travel and tourism division and the number of phone inquiries grow for information, it is imperative that a secretary be available to work full-time for film services.

Freight and Express (\$600.00)

This amount has been requested at all levels of the budget. However, this is an inadequate request. With 3½ months remaining in FY'88, the Kansas Film Commission has already spent \$870.75. The Kansas Film Commission relies heavily on overnight mail service and to continue "in the race," we must utilize this service. Many times, a producer, director, or a location manager will call and request any information and photographs on file be sent out so they may receive it the next day.

An example of the difference overnight delivery makes is a commercial production which spent \$70,000 in a two day period on the Kansas side of Kansas City. Both the Kansas and Missouri Film Commissions were contacted for information on Kansas City. However, the Kansas Film Commission sent the information overnight and the Missouri Commission sent the information by regular mail. As a result, Kansas landed the entire shoot and the producer gave this as the reason.

Fees and Other Services (\$350)

The Kansas Film Commission's major purpose of existence is to assist with location scouting. Therefore, it is imperative that we have the means to photograph the locaton sites acrosss the state. At this time, the Kansas Film Commission has purchased photographic supplies totaling \$1,270. As you can see, \$350 is definitely not an adequate allocation.

Professional Supplies (\$1800)

To continue to build our photographic file and respond to requests, the Kansas Film Commission must be able to develop the photographic supplies. We support the amount requested.

It is evident that over the past four years the State of Kansas has continued to grow in film activity. With the completion of a studio complex, Kansas has a wonderful opportunity to become a major hub of film activity.

We have experienced great success with our advertising campaign and our ability to provide one-on-one service. We are very much aware that your support over the past three years has been instrumental in this success. We appreciate that you have demonstrated your faith in what we are doing to promote Kansas. However, to continue to benefit from revenues generated the Kansas Film Commission must also continue to grow in all aspects of the program, most importantly the area of staff.

The last two years we have asked for very specific increases to our budget and both years you have commented later that we should have asked for more. Today, we are again asking for specific amounts and again these amounts at best are just adequate to make us competitive with all the other states that are seeking the Hollywood dollars for their states. Hopefully our track record over the last two years, will convince you, once again, that we need more.

I urge you to support the considerations I have addressed today. Thank you for your time.

REMARKS BY

JUDY BILLINGS, DIRECTOR  
LAWRENCE CONVENTION AND VISITORS BUREAU

March 16, 1988

*Attachment IX  
Senate Eco Dept  
3-16-88*

WHEN PRODUCERS CAME TO LAWRENCE IN EARLY 1982 TO CONSIDER FILMING A TELEVISION MOVIE "THE DAY AFTER", WE BEGAN LEARNING ABOUT FILM PRODUCTION THAT UNTIL RECENTLY WAS RESERVED FOR ONLY THE BACK LOTS, SOUND STAGES AND STREETS OF LOS ANGELES AND NEW YORK. THE STATE OF KANSAS CREATED A FILM COMMISSION TO ASSIST WITH PRODUCTION AND WE ALL LEARNED THE PROCESS TOGETHER. THE COMPANY CONTRIBUTED \$1.2 MILLION TO THE LAWRENCE ECONOMY AT A TIME WHEN WE WERE EXPERIENCING A RECESSION---AND LAWRENCE AND THE STATE OF KANSAS EARNED A GOOD REPUTATION FOR WORKING COOPERATIVELY WITH FILMMAKERS.

SINCE THEN THREE MORE FILMS, A NATIONAL COMMERCIAL AND A DOCUMENTARY FOR THE PUBLIC BROADCASTING SERVICE HAVE BEEN ALL OR PARTIALLY FILMED IN LAWRENCE CONTRIBUTING ANOTHER \$5-6 MILLION DIRECTLY TO OUR ECONOMY. BESIDES THE OBVIOUS ....HOTELS AND RESTAURANTS THAT BENEFIT WHEN A CREW OF 60 TO 100 SETS UP BUSINESS FOR A COUPLE OF MONTHS, MANY OTHER BUSINESSES SUCH AS LUMBER YARDS, PAINT STORES, SECOND-HAND STORES AND LOCATION OWNERS (TO NAME ONLY A FEW) BENEFIT DIRECTLY FROM THE PRODUCTION OF A FILM. A FURNITURE STORE IN LAWRENCE RENTED \$30,000 WORTH OF FURNITURE DURING THE PRODUCTION OF "KANSAS" THIS PAST SUMMER; AND THE FILM COMPANY SPENT THOUSANDS OF DOLLARS PURCHASING A BARN AT A NEARBY FARM AND HIRING THE MANPOWER TO DISMANTLE, MOVE IT AND

REBUILD FOR THE "LOOK" THEY NEEDED AT THEIR MAJOR LOCATION FOR FILMING. THESE TYPES OF EXPENDITURES ARE COMMONPLACE IN THE FILM INDUSTRY...NOT TO MENTION THE PERSONAL EXPENDITURES OF THE FILM CREW. FOR EXAMPLE, THE LOCATION MANAGER FOR "KANSAS" BOUGHT A \$15,000 CAR AT A LOCAL DEALERSHIP; AND THE PRODUCTION DESIGNER BOUGHT A HOUSEFUL OF ANTIQUES AT AN AUCTION, FURNISHED HIS TEMPORARY APARTMENT IN LAWRENCE, THEN MOVED IT ALL BACK TO CALIFORNIA.

ON LOCATION PRODUCTION IS SAID TO BE A MAJOR WINDFALL TO CITIES AND STATES FORTUNATE, KNOWLEDGEABLE AND ACTIVE ENOUGH TO ATTRACT AND SUPPORT IT. WE HAVE BEEN VERY FORTUNATE TO THIS POINT. WE HAVE EXPERIENCED A GOOD DEAL OF GROWTH IN THE NUMBER OF PRODUCTIONS IN OUR STATE. THIS IS DIRECTLY ATTRIBUTABLE TO A KNOWLEDGEABLE STAFF IN OUR STATE FILM OFFICE AS WELL AS TO OUR FILM COMMISSION---PARTICULARLY THOSE MEMBERS WHO ARE EX-KANSANS NOW SUCCESSFUL IN THE INDUSTRY. WE HAVE BEEN ACTIVELY PURSUING THE BUSINESS WITH PERSONAL CONTACTS, ADVERTISING, NEW PUBLICATIONS AND ATTENDANCE AT THE RECENT LOCATION EXPO IN LOS ANGELES WHICH I ATTENDED ALONG WITH MANY MEMBERS OF OUR FILM COMMISSION. DURING THE EXPO, 300 FILM DIRECTORIES WERE PICKED UP AT OUR BOOTH BY PRODUCERS, THERE WERE 162 SPECIFIC INQUIRIES AND AN ADDITIONAL 23 OF THESE PRODUCERS ASKED TO HAVE LOCATIONS SCOUTED AND PHOTOS MAILED TO THEM. OUR STATE OFFICE ANSWERS OVER 600 SUCH INQUIRIES IN A YEAR.

WITH THE CONSTRUCTION OF DREAD STUDIOS IN LAWRENCE, IT'S AFFILIATION WITH THE UNIVERSITY OF KANSAS AND SUBSEQUENT CREATION OF A FILM-SPECIALIZED LABOR POOL, WE EXPECT FILM PRODUCTION IN KANSAS WILL TRIPLE.

I BELIEVE OUR CONCERNS TODAY SHOULD BE HOW TO SUPPORT THIS GROWING INDUSTRY. WE ARE NOW IN A WORLD-WIDE MARKETPLACE FOR "ON-LOCATION" FILM BUSINESS AND THE COMPETITION IS FIERCE. WE HAVE A VERY LARGE STATE TO SCOUT FOR LOCATION; THE TASK IS TIME CONSUMING AND MUST BE DONE BY SOMEONE KNOWLEDGEABLE OF THE BUSINESS. THE ABILITY TO RESPOND ADEQUATELY TO INQUIRIES AND REQUESTS FOR ASSISTANCE IS ABSOLUTELY ESSENTIAL.

THE KANSAS FILM COMMISSION FEELS THERE IS A NEED FOR ADDITIONAL STAFF TO HANDLE THESE DEMANDS AS WELL AS TO PROVIDE BETTER ON-LOCATION ASSISTANCE. WE MUST BE ABLE TO PROVIDE THE SERVICE AND SUPPORT IF WE EXPECT TO CONTINUE TO ATTRACT THIS BUSINESS.

GOVERNMENTAL SUPPORT AND BELIEF IN THE INDUSTRY GIVES A STATE THE EDGE IN "PULLING IN" PRODUCTIONS. I BELIEVE AN INCREASED INVESTMENT TO SUPPORT POTENTIAL FILM ACTIVITY IN THE STATE WILL HAVE A TREMENDOUS ECONOMIC RETURN. THANK YOU FOR YOUR CONTINUED SUPPORT AND CONSIDERATION OF OUR REQUESTS.



LEGISLATIVE TESTIMONY

SENATE WAYS AND MEANS

SUB-COMMITTEE

DEPARTMENT OF COMMERCE

DIVISION OF TRAVEL & TOURISM DEVELOPMENT

BUDGET

WEDNESDAY, MARCH 16, 1988

BY

NICK JORDAN

PRESIDENT

TRAVEL INDUSTRY ASSOCIATION OF KANSAS

*Attachment X  
Senate Eco Dev  
3-16-88*

Thank you Mr. Chairman and members of the Committee for this opportunity to testify concerning the budget of the Division of Travel and Tourism Development.

As we are sure you are aware, the visitor industry in Kansas remains a growth industry. We are importing new dollars--\$1.9 billion annually, creating new jobs--the state's second largest employer and broadening the tax base; visitors contribute over \$63.5 million annually to the state tax revenues. The visitor industry does fulfill the important triad of economic development.

The Travel Industry Association of Kansas would like to support several budget items.

Three of these items already enjoy strong private sector and community support around the state. We would recommend the following programs be funded from general revenue funds.

#### THE NATIONAL TOUR ASSOCIATION CONVENTION

This important convention will convene in Kansas City November 14-18, 1988. Attendance is estimated to be 3000-3500 people. This group represents one of the fastest growing tourism markets...the motorcoach tour operator. The economic impact of the convention being in our area and the resulting tours booked to the area is very significant. The State of Kansas is committed to hosting a two-hour promotional event to present "Linger Longer In America's Central Park." We will also have the opportunity to host one or two pre and post tours.

This investment will return many times over in spending by motorcoach tours. Every night a motorcoach stops in a community between \$3,000 and \$3,500 is spent. This is truly a once in a lifetime experience since the 1988 convention is in our backyard and Pete Anderson with Maupintour in Lawrence is President.

**THERE HAS ALREADY BEEN A STRONG COMMITMENT MADE TO THIS FUNCTION BY THE PRIVATE SECTOR AND CONVENTION & VISITOR BUREAU'S.** For over a year now private industry and CVB's have paid to sponsor a direct-mail campaign to National Tour Association members. Sponsorships were paid from \$50 to \$500 to cover the cost of direct mail for a two-year period to motorcoach operators.

**THERE HAS BEEN A FUND-RAISING EFFORT FOR SOME TIME TO RAISE MONEY WITHIN THE INDUSTRY TO FUND THE TWO-HOUR PROMOTIONAL EVENT. TO DATE APPROXIMATELY \$32,000 HAS BEEN COMMITTED.**

**REQUESTED NTA FUNDING: \$60,000.**

SOCIETY OF AMERICAN TRAVEL WRITERS CONVENTION

This convention will convene in Kansas City September 29 - October 4, 1988. Attendance will be approximately 400 people representing every major publication nationwide and some broadcast. The potential to build our image has never been so good. Post-convention tours are being made available from October 4th thru 9th to seven surrounding states including Kansas.

**COMMUNITIES AND PRIVATE INDUSTRY HAVE ALREADY AGREED TO PROVIDE  
COMPLIMENTARY ROOMS, FOOD, ATTRACTION ADMISSION AND GIFTS.**

The requested funding from the state would include transportation, state gifts and miscellaneous costs.

**REQUESTED SATW FUNDING: \$30,000.**

KANSAS ASSOCIATION OF BROADCASTERS--COOPERATIVE PROGRAM

In this program the state provides funding and commercials to be run by Kansas broadcasters.

During fiscal year 1986-87, \$20,000 was allocated by the state for this program. For this \$20,000 we received \$440,000 in time.

While our emphasis has been to increase out-of-state advertising, we must keep a presence in the state. This is an economical, effective way to reach Kansans. A significant amount of visitors travel to an area at the invitation of friends and relatives. We must keep our citizens proud of the state and informed about our offers to visitors, i.e. Linger Longer.

**REQUESTED KAB FUNDING: \$10,000**

over current funding of \$20,000.

Kansas Inc. has recommended that the tourism industry receive \$250,000 in gaming funds. The Travel Industry Association of Kansas supports this recommendation. We would recommend these funds be used for market research, out-of-state advertising, and a matching grant program. We are not recommending the specific amount for each of these programs, recognizing the limited funding available. We have, however, attached a copy of our original legislative agenda which contains a description of each program and the original level of recommended funding.

Thank you once again for this opportunity to discuss the promotion of visitors to the State of Kansas. As represented by our testimony we look forward to the private industry, communities and the state to work together to continue the growth of this valuable industry. The monies committed to this effort represent an investment from which we will realize a profit.



# Travel Industry Association of Kansas 1988 Legislative Agenda

## A DYNAMIC KANSAS INDUSTRY THE VISITOR INDUSTRY

The visitor industry in Kansas is a growth industry vital to the economic development of the State.

The visitor industry fulfills six important economic development goals.

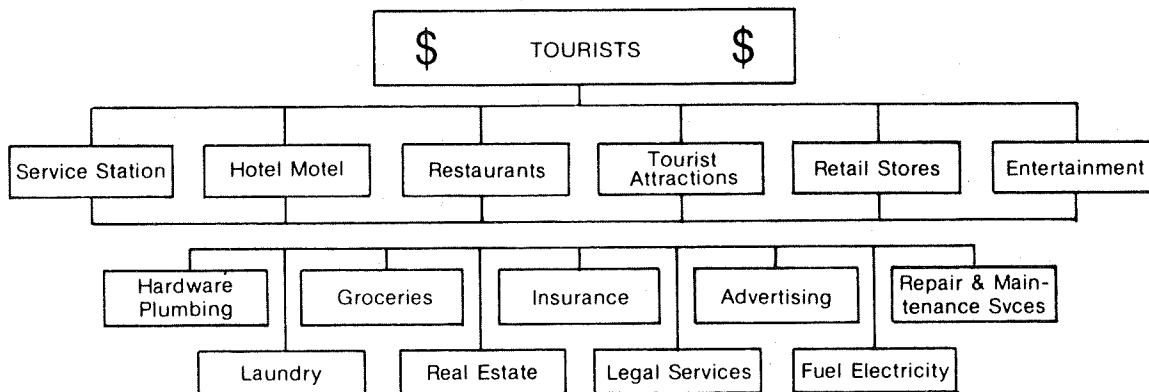
## THE VISITOR INDUSTRY CREATES JOBS

- ★ 41.9 thousand in 1985.
- ★ Kansas's travel generated employment rose 4.1 percent in 1985, compared to a 3.9 percent increase in total non-agricultural employment.

## THE VISITOR INDUSTRY IMPORTS NEW DOLLARS

- ★ U.S. travelers spent nearly \$1.9 billion in Kansas during 1985, 9.7 percent more than 1984.
- ★ The visitor industry touches everyone of the 105 counties in Kansas.

### Distribution of the Tourist Dollar



## ECONOMIC DIVERSIFICATION

Communities cannot afford to be dependent on one industry. Cities are a normal and natural destination for visitors as are scenic outdoor recreation areas and historical sites.

## EXPANDS THE TAX BASE

- ★ Traveler spending in 1985 generated \$63.5 million in state tax revenue.
- ★ Travel expenditures in Kansas generated \$23.2 million in local tax revenues.

## CREATES AN IDENTITY AND IMAGE

The visitor industry, developed and marketed properly, creates a positive image for a community . . . not only through advertising and public relations, but word of mouth. People do talk about their travel experiences. Also, much of what attracts visitors attracts industry. New businesses, or one's relocating seek a popular and

pleasant place to do their work. The visitor industry creates community pride.

## THE VISITOR INDUSTRY ADDS QUALITY OF LIFE

Hotels, motels, attractions, restaurants, retail and related businesses provide local residents with activities to enjoy.

A carefully planned, well-organized visitor industry can benefit the residents through exposure to a variety of ideas, people, languages and other cultural traits.

It can add richness to a local residents experience through an experience in local history or the arts.

The Joint Committee on Economic Development of the Kansas Legislature has recommended that the visitor industry be designated as a basic or primary industry within the State. This is important in prioritizing funds to encourage the growth of the industry.

his recommendation fits well with the recommendations made by the Redwood-Krider report in 1986. The report stated the following:

"We need to establish an overall travel and tourism strategy for the State. A funding increase is necessary for the following projects:

1. Research on travel and tourism
2. Marketing of Kansas attractions in and out of the State, and
3. Development of State parks or other major attractions.

Travel and tourism is a growth industry in the United States, but Kansas is not currently competitive in developing this industry. Kansas's spending on travel and tourism has not kept pace with other states, and Kansas currently ranks 47th (44th when the Redwood-Krider report was done) among states in funding for its travel and tourism office. We believe Kansas has greater potential in this industry than has previously been recognized."

In light of these facts and recommendations the Travel Industry Association of Kansas recommends that gaming and general revenue funds be used to provide an increase of funding for the Department of Commerce, Division of Travel and Tourism Development.

**TRAVEL INDUSTRY OF KANSAS  
RECOMMENDED BUDGET ITEMS  
FOR  
DEPARTMENT OF COMMERCE-DIVISION OF  
TRAVEL & TOURISM DEVELOPMENT**

**ADVERTISING**

Currently the State of Kansas does no out-of-state advertising. The following advertising budget would give minimum exposure for the State of Kansas compared to the amount of advertising done by surrounding states.

**NEWSPAPER** \$179,000

Based on estimates of ten 1/4 page ads in seven regional markets (Omaha; Des Moines; Oklahoma City; Tulsa; St. Louis; Springfield, MO and Kansas City).

**MIDWEST LIVING MAGAZINE** \$ 14,500

450,000 paid circulation in the twelve-state Midwest region. Based on estimates of three 1/2 page B/W ads.

**MIDWEST MOTORIST - AAA** \$ 7,500

362,000 circulation — Missouri; Arkansas; Southern Illinois; Kansas City area. Based on estimates of three 1/2 page B/W ads.

**COURIER - NATIONAL TOUR ASSOCIATION  
MAGAZINE** \$ 11,000

Very important with the 1988 National Tour Association convention being in our area and our participation in the convention with a Kansas luncheon. Based on estimates of six full-page ads.

**RADIO ADVERTISING - REGIONAL** \$ 70,000

Allows for the purchase of a package (i.e. Royals Network, 116 markets in five state area) or individual buys in regional markets.

**MEETING & CONVENTION ADVERTISING** \$ 35,000

The State of Kansas has not approached this important market in the past. We have major convention facilities and communities in the State already promoting and advertising in this market. The State needs to start getting exposure for this market and changing our image.

**PRODUCTION** \$ 48,000

Approximately 15% of advertising allowed for production.

TOTAL: \$370,000

**PUBLIC SERVICE ANNOUNCEMENTS PLACED  
THROUGH THE KANSAS ASSOCIATION OF  
BROADCASTERS** \$ 30,000

This represents a \$10,000 increase over fiscal year 1986-1987, when \$20,000 was allocated. For this \$20,000 we received \$440,000 in time. While our emphasis is on boosting our out-of-state advertising, we must keep a presence in the State. This is an economical-effective way to reach Kansans. A significant amount of visitors travel to an area at the invitation of friends and relatives. We must keep our citizens proud of the State and our offers to visitors, i.e. Linger Longer.

**MARKET RESEARCH** \$130,000

It is important that the State of Kansas participate in a well-designed market research program to determine who, why and how our visitors are arriving in the State and where they are visiting; what are their interests. Once this is accumulated, we need to develop market strategies to ensure future growth.

**SOCIETY OF AMERICAN TRAVEL WRITERS  
CONVENTION** \$ 30,000

This convention will convene in the Kansas City area September 29th thru October 4th, 1988 with an attendance of approximately 400 people representing every major publication nationwide and some broadcast. The potential to build our image has never been so good with the potential of the number of feature articles that will be done after the convention. Post convention tours are being made available from October 4th thru October 9th to seven surrounding states including Kansas. Communities and businesses have already agreed to host and pick-up the major costs while travel writers are in their area. This request covers transportation, gifts and miscellaneous costs.

**NATIONAL TOUR ASSOCIATION  
CONVENTION** \$ 90,000

This important convention will convene in Kansas City November 14-18, 1988 with an attendance of approximately 3500 people. This group represents motorcoach tour operators from across the country. The economic impact of the convention being in our area and the resulting tours booked to the area is very significant.

The State of Kansas has committed to hosting a luncheon at the convention. The private sector is in the process of raising funds to support the State's commitment.

### **STATE OF KANSAS MATCHING GRANT PROGRAM**

- I. Developed on five tourism regions.
- II. Funds allocated on population after initial grant. Each region would receive a flat \$10,000, after which remaining funds would be distributed based on the region's population.
- III. Funds would be distributed according to qualified needs:
  - A. Hiring regional administrator. The Kansas Department of Commerce would participate in the funding of a regional administrator for the region, provided that the regional administrator, if full time, is responsible to the region only and is independent of any other organization. If the regional administrator is part time, those duties must be more than half time for the region. All projects and time charged to the region by the regional administrator must be documented for payment approval.
  - B. Printing regional brochures:
    1. Must be four-color process, enamel stock.
    2. Folded size should be no larger than 4½" x 8" and no smaller than 3" x 8".
    3. The state logo must appear on the front page in an appropriate configuration to blend with the brochure size. A credit line for the state department and the department's phone number should appear on the back cover.
    4. All drafts and final blue lines must be submitted and reviewed by the Division of Travel and Tourism Development. The department will evaluate and respond within a 7-day period following receipt of the draft or blueline.
    5. Brochures may not represent businesses or have a single attraction as the main theme. They must be representative of the region as a whole.
    6. No name or picture of any living state or local official may be used in the production of the brochures.
    7. All designing and printing must be done by professionals in these fields.
  - C. Media Advertising, Print and Broadcast.
    1. The department will support, on a matching basis, all department approved generic advertising, both print and broadcast and other promotional programs.
    2. The department recommends a professional contractor in the field be chosen by the region to accomplish the effort.
  - D. Printing and Production of Additional Brochures:
    1. The department will support other brochures and literature developed by the region provided that the region follows the standard guidelines regarding state tourism logo location, regional number, a credit line to the department, and restrictions on loaning the state's credit.
  - E. Off-Season Programs to Encourage Travel and Tourism.
    1. The department will support, on an equal matching basis, all department approved programs developed to encourage off-season tourist travel, following the guidelines for production and services previously mentioned.
  - F. Postage, Mailing and Distribution of Regional Brochures.
    1. The department will allow state matching monies to be spent on postage for mailing regional brochures and other tourism materials.
    2. Region's may contract with a private firm, or a non-profit organization such as (but not limited to) a convention and visitors bureau, or chamber of commerce to mail out the regional brochures.
  - G. Visitor Industry Consumer and Trade Shows.
    1. Consumer and trade show projects approved by regional boards are eligible for contracts under the matching funds program; however, allowable expenses are limited to: construction and maintenance of exhibits, space, equipment rental, booth and staffing registration fees, transportation costs of trade show attendees, and cost of shipping for displays and promotional materials.
  - H. Regional Information Centers.
    1. The state will help fund a maximum of four regional information centers per region, excluding those otherwise administered by the Division of Travel and Tourism Development. These information center locations will be chosen by each regional board but must be located approximately 500 yards from either an interstate highway or major U.S. highways that are principal entrances into the state. (Exceptions with the approval of the Tourism Divisions Director.)
    2. Information materials from the Division of Travel and Tourism Development shall receive display priority over those of other agencies, whether federal, state or local.
    3. State of Kansas regional and local information shall receive display priority over that from other states.
    4. Regional information centers will compile tourist research information data based on forms supplied by the Division of Travel and Tourism Development.



Limitations on Use of Matching Funds.

1. Regional Administrator: \$10,000 maximum allowable funds for one year, distributed on a monthly basis.
2. Regional Information Centers: Maximum allowable for regional information centers is \$300 per center per month.

V. Applying for Project Approval and Funds:

All projects must commence after July 1st \_\_\_\_\_ and be completed before June 30 \_\_\_\_\_.

At least \_\_\_\_\_ weeks prior to their planned starting date, the regions must submit their applications to:

**Division of Travel and Tourism Development  
Kansas Department of Commerce  
400 West 8th Street, Suite 500  
Topeka, Kansas 66603**

Applications must contain a complete description of the proposed project, the manner in which it will be accomplished, the proposed starting and completion dates and the portion of the region's allocated matching funds requested therefore.

If an application is approved or rejected as submitted, the applicant will be notified in writing by the department, usually within \_\_\_\_\_ weeks of receipt of the application. If the application may be approved with certain modifications, the department will correspond with the applicant accordingly and obtain the applicant's written approval for any such changes or modifications.

The matching grants shall be dollar-for-dollar and approved on a project-by-project basis.

All projects must be approved by the regional board or committee and the Division of Travel and Tourism Development staff for Regional Program Review.

State matching grant funds provided to each region may not exceed the total amount specified for that region. Said funds may be dispensed on a partial payment or monthly basis depending on the specifics of each individual contract.

Funds not encumbered for approved regional projects by March 30 will be made available on a first-come, first-serve basis until April 30 to the Northwest, Southwest, and Southeast regions for approved regional projects. All regions may apply for any remaining unencumbered regional funds after April 30 on a project-by-project basis. However, no region can receive more than 25% of the total of those unencumbered funds. Projects under this category must be in approved, signed contract form by May 31.

The following tables show the breakdown of allocations, using two formulas.

**MATCHING GRANT FUND BREAKDOWN**

TOTAL AVAILABLE: \$250,000.

**BASE DISTRIBUTION:**

NORTHEAST	\$ 2,500.
NORTHWEST	24,600.
SOUTHWEST	15,550.
SOUTH CENTRAL	2,650.
SOUTHEAST	4,700.

Subtotal \$ 50,000.

**DISTRIBUTION BY POPULATION:**

NORTHEAST	\$ 98,400.
NORTHWEST	10,000.
SOUTHWEST	10,600.
SOUTH CENTRAL	62,200.
SOUTHEAST	18,800.

Subtotal \$200,000.

TOTAL: \$250,000.

**MATCHING GRANT FUND BREAKDOWN**

TOTAL AVAILABLE: \$250,000.

**BASE DISTRIBUTION:**

NORTHEAST	\$ 10,000.
NORTHWEST	10,000.
SOUTHWEST	10,000.
SOUTH CENTRAL	10,000.
SOUTHEAST	10,000.

Subtotal \$ 50,000.

**DISTRIBUTION BY POPULATION:**

NORTHEAST	\$ 98,400.
NORTHWEST	10,000.
SOUTHWEST	10,600.
SOUTH CENTRAL	62,200.
SOUTHEAST	18,800.

Subtotal \$200,000.

TOTAL: \$250,000.

**PRESENTATION**

to

**SENATE SUB-COMMITTEE  
ON WAYS AND MEANS**

by

**BRENDA M. MANSKE  
Executive Director  
Southeast Kansas Tourism Region, Inc.**

**March 16, 1988**

*Attachment XI  
Senate Eco Dev  
3-16-88*



## **Southeast Kansas Tourism Region**

P.O. Box 100  
Yates Center, Kansas 66783  
(316) 625-3559

SOUTHEAST KANSAS TOURISM REGION REQUESTS ADDITION OF \$16,000  
LINE ITEM TO KANSAS DEPARTMENT OF COMMERCE TRAVEL AND TOURISM  
DIVISION BUDGET FOR SOUTHEAST KANSAS TOURISM MARKETING STUDY

As one of the state's five tourism regions, Southeast Kansas supports full FY 1989 funding for the Kansas Division of Travel and Tourism. The Governor's recommended FY 89 budget level of \$1,392,609 for that division does not provide funds for any degree of comprehensive statewide tourism marketing research, however, and for that reason Southeast Kansas Tourism Region requests the addition of a \$16,000 line item to the FY 89 Travel and Tourism Division budget to fund a Southeast Kansas tourism marketing study that could stand as a pilot project for similar research throughout out the rest of the state.

In Volume I of the Governor's FY 89 Budget Report, the first program objective for travel and tourism development is: "To increase awareness that Kansas is a travel opportunity for visitors by disseminating comprehensive literature and information related to tourism activities."

Before the state can embark upon a plan to increase visitors' awareness that Kansas is a travel opportunity, the state must develop a body of statistics to determine who our current visitors are and what

motivates them to come to Kansas. Armed with this information, the state then can increase tourism by marketing Kansas attractions to groups of people who are similar to the tourists who are already visiting Kansas. Motivational profiles then can be developed to indicate why people are not visiting Kansas, which information can in turn be used to better position Kansas attractions to increase the state's tourism market share.

Accompanying this presentation is a copy of a proposal for a Southeast Kansas tourism marketing study prepared in 1987 by the Institute for Public Policy and Business Research at the University of Kansas. The proposal is the product of several months of cooperative effort between SEKTR and IPPBR. To our knowledge, no similar tourism research has been conducted in Kansas, nor has any such proposal for tourism marketing research been prepared for any region of the state. Private sector cost for implementation of the IPPBR study is \$29,591. If public funds finance this regional marketing study, indirect costs will be waived and the project's total cost will drop to approximately \$16,000.

Also accompanying this presentation is a copy of a September 30, 1987 letter to SEKTR from Harland E. Priddle, Secretary of Commerce, expressing interest in funding the Southeast Kansas tourism marketing study as a pilot program for the rest of the state. Under the Governor's recommended FY 89 \$1,392,609 Travel and Tourism Division budget, there is no provision for funding this \$16,000 regional study.

Although there is a \$15,000 line item for tourism marketing

research in the Governor's \$100,000 Economic Development Initiatives Fund budget recommendation for travel and tourism, that \$15,000 is not earmarked for anything as comprehensive as the proposed Southeast Kansas marketing study. Considering that \$16,000 is the state's cost for an exploratory marketing study for 12 counties, it is obvious that \$15,000 will not go far in funding comprehensive tourism marketing research for the entire state.

For these reasons, Southeast Kansas Tourism Region requests the addition of a \$16,000 line item to the Kansas Department of Commerce Division of Travel and Tourism budget to fund a Southeast Kansas tourism marketing study that will serve as a pilot marketing study for the entire state.

Your support for this request will be appreciated.

PROPOSAL FOR AN EXPLORATORY MARKETING  
SURVEY OF THE SOUTHEAST KANSAS TOURISM REGION

In an attempt to increase tourism in its 12-county region, the Southeast Kansas Tourism Region, Inc. (SEKTR) has contacted the Institute for Public Policy and Business Research (IPPBR) concerning the development of a marketing strategy. In order to formulate a successful marketing strategy, there needs to be an understanding of the SEKTR's existing visitors--who they are (in demographic and leisure activity terms) and why they chose to come to visit certain attractions in the Southeast Kansas Region. Such an understanding should improve marketing targeted toward individuals who are similar to existing visitors. This, however, is not sufficient, as it ignores non-visitors--those people who do not travel to and tour the region. For a successful strategy formulation, motivations of potential tourists who have not visited Southeast Kansas must be included.

In the following pages, the Institute proposes a two-part study to address these issues. Dr. Surendra Singh, Associate Professor of Marketing, will serve as Principal Investigator for the study. For the first part, visitors to a number of salient attractions within the 12-county region will be surveyed. Based on this survey data, a visitor profile will be developed for each of the major categories of tourist attractions. Examples of these categories are: arts and crafts fairs, lakes and reservoirs, museums, and national historic sites. In the second part of the study, by using focus group interviews, IPPBR will determine why certain individuals do not visit Southeast Kansas. These interviews are intended to provide answers to questions such as: "Do non-visitors have a negative image of Southeast Kansas?", "Are non-visitors simply unaware of the attractions that Southeast

Kansas offers?", and "Are there some other reason for not visiting the Southeast Kansas Region?" This second part of the study will be highly qualitative in nature. A detailed description of the study follows.

**PART I: An Exploratory Survey of the Tourists Visiting the Southeast Kansas Tourism Region**

The Institute proposes to survey a number of salient locations within each of the following categories throughout the 12-county region.

- I. Arts and Crafts Fairs and Special Events
- II. Historic Sites
- III. Museums
- IV. Lakes and Reservoirs and State Parks

With the help of the SEKTR, significant tourist attractions will be selected for sampling. The data collection should begin May 1 and end on October 31 to allow sampling during the peak tourism season.

Sampling Method: For most sites surveyed, the sampling method employed will be a close approximation of the shopping center sampling technique frequently used by the marketing researchers. In this method, respondents are chosen at the site of interest with interviews typically conducted on the spot.

Sampling Size: About 500 subjects per category will be sampled. Therefore, the total sample size across four categories will be 2,000 individuals. Within a given category the sampling of respondents from a particular site will be proportional to the estimated attendance at the site during the survey period (May 1 to October 31).

It should be clearly understood that while this sample will provide adequate data for the appropriate statistical analyses for each major category, it will not be large enough to provide information about a specific location within the category. For example, IPPBR will profile the

average visitor to the "historic sites" within the 12-county region, but the data would not be adequate to develop such a profile for a single historic site such as the "Little House on the Prairie." However, given that the primary interest is in the Southeast Kansas Region in general, the average profile is sufficient for the marketing strategy development purposes.

Method of Data Collection: A number of data collection methods are possible, including personal interviews, mail, telephone, and self-administered surveys. For the proposed study, personal interviews should be ruled out because of the prohibitive cost of data collection for a survey of this magnitude. Similarly, phone surveys cannot be conducted because of the relatively large amount of information that would be requested in the questionnaires. Moreover, since there is little insight into who the visitors to Southeast Kansas are, it would be impossible to generate a list of phone numbers for contacting these individuals. A mail questionnaire cannot be used for the same reason.

IPPBR proposes the use of the self-administered survey method whereby visitors are contacted on site by volunteers (to be supplied by SEKTR) and are given the written questionnaires to fill out and return on-the-spot. When properly designed and executed, this is a relatively inexpensive method that can produce large amounts of accurate data.

Research Questionnaire: The questionnaire is expected to be four to five pages long. This is to be an easy-to-complete precoded questionnaire, in which most questions are answered by merely checking the appropriate responses. Questions requiring written responses will be kept to an absolute minimum, primarily to encourage respondents to complete the questionnaire. Initially, an omnibus questionnaire will be prepared for the categories I to IV above. Changes will later be made to adapt this



questionnaire to different survey sites. Questionnaires will be pretested before they are administered.

A number of questions will determine the demographic characteristics of the respondents. Characteristics such as marital status, sex, age, highest level of education achieved, household income before taxes, ethnic group, length of residence in Southeast Kansas, home ownership and occupation will be collected. In addition, questions will be asked to determine each respondent's stage in the "family life cycle." Family life cycle is an important demographic characteristic since it is closely related to people's consumption behavior including consumption of leisure time.

Respondents will also be questioned about why they decided to visit a particular attraction; who made the primary decision to visit; what sources were most influential in making this decision; whether the trip was planned or impromptu; where they traveled from; how they learned about the attraction; mode of transportation; party size; money spent; where they are staying; whether they are likely to come back; and what they liked most/least about the attraction.

In order to understand how visitors to various types of attractions differ in use of leisure time, the questionnaire will ask respondents to indicate the frequency with which they participate in a number of pastimes. Finally, several questions concerning respondents' media habits will determine media types most suitable for advertising.

Data Collection, Coding, and Analysis: The Institute for Public Policy and Business Research staff, under Dr. Singh's supervision, will provide the questionnaires and necessary instructions to Ms. Brenda Manske, Director for SEKTR. Ms. Manske will coordinate dissemination of the questionnaires to SEKTR volunteers at the preselected attractions plus collection of the

questionnaires when completed. Once the completed questionnaires are received by the Institute, they will be coded and then loaded into the University's IBM computer system in order to analyze the data. Separate analyses will be conducted for each major category surveyed.

#### **PART II: Focus Group Interview of Non-Visitors to Southeast Kansas**

As stated earlier, the results of Part I will provide a profile of the visitors to the Southeast Kansas Region and will be helpful in the formulation of guidelines for increasing tourist traffic by appealing to groups of individuals similar to those already visiting the tourist attractions in the area. Unfortunately, Part I will not apply to non-visitors--even those non-visitors who reside within a reasonable distance of the 12-county area, and who should be the most likely prospects for increasing tourism in Southeast Kansas. In order to address this issue, the principal investigator proposes to conduct three focus group studies.

In a focus group, a small number of individuals--usually eight to twelve--are brought together and asked questions about a central issue or product. Focus groups are one of the most frequently used qualitative marketing research tools for obtaining insights into a problem. In this case, Dr. Singh and a research assistant will conduct three focus group sessions concerning tourism in the Southeast Kansas Region.

Purpose: Group discussion will concentrate on the reasons for vacation activity, the decision processes involved in destination selection, the familiarity and perception the respondents have of sites within the target area, and respondent reactions to possible promotion positionings.

Group Construction: Three focus groups, each consisting of eight to ten people from the Lawrence area, will be conducted. Respondents will represent those individuals who have not previously vacationed in the target

sites in Southeast Kansas. Telephone screening will be used to select respondents who have taken a family vacation during the previous summer and who were involved in the decision process for the vacation plans. Groups will last from one-and-a-half to two hours and will be audiotaped for analysis.

Preparation of Final Report: The quantitative data gathered from Part I and the qualitative impressions gained from Part II will be presented in the final report to the Southeast Kansas Tourism Region, Inc. Based on these two studies, the final report will include a number of concrete recommendations for promoting tourism in the 12-county area of Southeast Kansas. A detailed budget outlining the costs of the project is attached.

## TIMETABLE

### 1988

- April --> Preparation and Pretesting of the Questionnaire for Part I.
- May 1 -
- October 31 --> Data Collection for Part I.
- November -
- December --> Coding of Data and Creation of Computer Files.

### 1989

- January -
- February --> Analysis of the Data from Part I.
- March -
- May --> Focus Group Interviews and Analysis of the Audio Tapes Resulting from these Interviews.
- June -
- July --> Preparation of Final Report Based on Parts I and II.

Proposal to  
Southeast Kansas Tourism Region  
Budget

PERSONNEL..... \$18,818

Dr. Surendra Singh, Principal Investigator: 2 months summer salary at \$4,583.33 per month (\$9,166.66) plus 21 percent for fringe benefits (\$1,925) = \$11,091.66.

Research Assistant: half-time graduate student over 6 months of the project period to help conduct focus group interviews and analyze data. Salary is calculated at \$1,600 per month (\$5,100) plus 1 percent for fringe benefits (\$51) = \$5,151.

Student Assistant: 1 graduate student hourly to assist with duplication, precoding, and pretesting of various versions of questionnaire plus data coding and entry. Salary is calculated at \$4.00 per hour for 350 hours (\$1,400) plus 1 percent for fringe benefits (\$14) = \$1,414.

Secretarial/Clerical Position: funds are requested for the 10 percent effort of a secretarial/clerical position over 8 months of the project for the preparation of questionnaires, correspondence and final report, purchasing supplies, and keeping project accounts. Salary is calculated at \$1,200 per month (\$960) plus 21 percent for fringe benefits (\$201.60) = \$1,161.60.

OTHER DIRECT COSTS..... 1,875

Materials and Supplies: miscellaneous supplies such as duplication paper for 2,000, 5-page questionnaires, paper for correspondence and final report, postage, long-distance telephone calls, plus charges for duplication of questionnaires = \$675.

Computer Services: Computer time on University of Kansas Computer Center mainframe for analysis of survey data = \$750.

Subject Fees: fees to be paid to 30 subjects participating in focus group interviews. 30 subjects at \$15.00 each = \$450.

TOTAL, DIRECT COSTS \$20,693

INDIRECT COSTS..... \$ 8,898

University of Kansas negotiated rate of 43 percent.

TOTAL, PROJECT COSTS \$29,591

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*

September 30, 1987

Brenda M. Manske  
Executive Director  
Southeast Kansas Tourism Region  
PO Box 100  
Yates Center, KS 66783


Dear Brenda,

We received your proposal for a marketing survey of the Southeast Kansas Tourism Region and considered this as part of our overall package in the development of our budget. We believe some major milestones are being addressed in the tourism area. Your proposal for an exploratory marketing research study of Southeast Kansas could very well be the plan we will select as we move into the marketing research area. It is very well conceived and appears to be very complete.

As we move through this fiscal year, we will make every effort to accommodate this as a pilot program for our marketing research programs for the future.

Thanks again for your interest and all of your help in the past. Your issue paper has been very well received and we used it as a major document in preparing our budget. Thanks again.

Sincerely,

  
Harland E. Priddle  
Secretary

tl

cc: Travel and Tourism

TESTIMONY

Before the Senate Ways and Means Subcommittee  
Senate Economic Development Committee  
March 16, 1988

RE: KDOC Budget/Tourism Broadcast Promotion  
By Harriet Lange, Executive Director  
Kansas Association of Broadcasters

I am Harriet Lange, executive director of the Kansas Association of Broadcasters. I am appearing today to report on the broadcast support of the Kansas tourism 'Linger Longer' campaign; and to urge you to concur with the House in their amendment to HB 2808, which restores our funding level to where it was in FY '87.

Last session, the legislature decreased our funding by \$10,000 (from \$30,000 to \$20,000) and challenged us with an increase in air time for consideration of increased funding this session. (It was noted in the Senate Subcommittee Report last year that the infrequency of new commercials being developed contributed to the downward trend in air time).

We took the 1987 legislative challenge seriously and our stations reported a 22 percent increase in air time for the tourism commercials in FY '87 over FY '86. During FY '86, Kansas radio and television stations reported \$360,805 in air time, compared to \$440,782 in FY '87. If the current trend continues, and if we are provided new commercials this spring, we should see an increase in FY '88 over FY '87.

Since the 1982 inception of this cooperative effort between the KAB and KDOC, Kansas radio and television stations have contributed air time amounting to over \$2.2 million.

Attached is the FY '87 year-end report and a report of the first six months of this fiscal year.

Thank you for your consideration.

*Attachment XII*  
*Senate Eco Devo*  
*3-16-88*





AH KANSAS TOURISM SPOTS  
 KANSAS ASSOCIATION OF BROADCASTERS  
 FISCAL YEAR 1987

		1986	1986	1986	1986	1986	1986	1987	1987	1987	1987	1987	1987	1986-87
CALL LETTERS	CITY OF LICENSE	JULY VALUE	AUGUST VALUE	SEPTEMBER VALUE	OCTOBER VALUE	NOVEMBER VALUE	DECEMBER VALUE	JANUARY VALUE	FEBRUARY VALUE	MARCH VALUE	APRIL VALUE	MAY VALUE	JUNE VALUE	YEAR TO DATE VALUE
KFLA AM	SCOTT CITY												290.00	290.00
KIN NET.	TOPEKA	2,790.00	7,980.00	1,144.00						6,200.00	6,160.00	13,950.00	12,090.00	50,314.00
KJTY FM	TOPEKA **												20.00	20.00
KTOP AM	TOPEKA		1,116.00	1,620.00	1,116.00	1,080.00	1,116.00	1,116.00	1,008.00	1,488.00	1,440.00	1,488.00		12,588.00
KDVV FM	TOPEKA	285.00	1,350.00		1,674.00	1,512.00	1,674.00		1,674.00	1,792.00	1,920.00	1,984.00		13,865.00
KTPK FM	TOPEKA	1,951.00	1,955.00	2,160.00	2,230.00	2,160.00	2,234.00	2,139.00	1,932.00	2,070.00	2,070.00	2,139.00	2,340.00	25,380.00
WIBW AM	TOPEKA	416.00	400.00	256.00	384.00	464.00	272.00	384.00	416.00	560.00	352.00	368.00	352.00	4,624.00
WREN AM	TOPEKA	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	14,400.00
KULY AM	ULYSSES	400.00	320.00				240.00			400.00				1,360.00
KSKT FM	WAMEGO			126.00					320.00					446.00
KLEY AM	WELLINGTON	778.50	745.50	697.50	670.50	816.00	720.00	822.00	762.00	841.50	786.00	751.50	873.00	9,264.00
KEDI AM	WICHITA	2,800.00	1,400.00	2,800.00										7,000.00
KFDI FM	WICHITA	1,400.00	1,400.00	1,400.00										4,200.00
KLEO AM	WICHITA	2,520.00	2,444.00	1,274.00						1,035.00	1,350.00	1,395.00	1,350.00	11,368.00
KRZZ AM	WICHITA												160.00	160.00
KINC AM	WINFIELD	150.00		150.00						375.00	315.00	435.00	215.00	1,640.00
RADIO TOTALS:		23,204.05	34,398.45	25,196.75	18,745.05	19,533.25	21,330.05	16,768.30	18,519.35	39,919.73	41,026.78	45,787.23	42,492.93	346,921.92

\* KUDL FM, Kansas City, KS & WHB, Kansas City, MO dollar values estimated

\*\* KJTY FM, Topeka dollar value estimated on cost of operation

AH KANSAS TOURISM SPOTS  
 KANSAS ASSOCIATION OF BROADCASTERS  
 FISCAL YEAR 1987

		1986	1986	1986	1986	1986	1986	1987	1987	1987	1987	1987	1987	1986-87
CALL LETTERS	CITY OF LICENSE	JULY VALUE	AUGUST VALUE	SEPTEMBER VALUE	OCTOBER VALUE	NOVEMBER VALUE	DECEMBER VALUE	JANUARY VALUE	FEBRUARY VALUE	MARCH VALUE	APRIL VALUE	MAY VALUE	JUNE VALUE	YEAR TO DATE VALUE
*****														
TV:														
KTVC TV	ENSIGN	615.00	720.00	555.00	570.00	165.00	600.00	465.00	45.00	870.00	735.00	570.00	1,035.00	6,945.00
KLDE TV	GOODLAND	1,215.00	1,053.00	712.50	925.00	825.00	457.50			650.00	1,237.50	762.50	712.50	8,550.50
KSNC TV	GREAT BEND												540.00	540.00
KOOD TV	HAYS	Reported airing the spots for 1986-87, but did not report corresponding dollar values.												
KPTS TV	HUTCHINSON	Reported airing the spots for 1986-87, but did not report corresponding dollar values.												
KWCH TV	HUTCHINSON	6,960.00	5,525.00	6,480.00	7,140.00	5,040.00	440.00							31,585.00
KSNK TV	McCook, NE ****	28.00	14.00	56.00	56.00	86.00	90.00	28.00	14.00	114.00	185.00	162.00	162.00	995.00
KSNT TV	TOPEKA ***									2,000.00	2,000.00	2,000.00	2,000.00	8,000.00
KTKA TV	TOPEKA	2,200.00			660.00					1,855.00	3,040.00	2,125.00	1,565.00	11,445.00
WIBW TV	TOPEKA	3,190.00	4,235.00	2,035.00	1,610.00	665.00						660.00		12,395.00
KAKE TV	WICHITA							600.00	720.00	720.00	720.00	720.00	720.00	4,200.00
KSAS TV	WICHITA									80.00		200.00		280.00
KSNW TV	WICHITA ****	2,655.00	1,385.00							395.00	1,430.00	1,060.00	2,000.00	8,925.00
TV TOTALS:		16,863.00	12,932.00	9,838.50	10,961.00	6,781.00	1,587.50	1,093.00	779.00	6,684.00	9,347.50	8,259.50	8,734.50	93,860.50
*** KSNT TV, Topeka March-June figures estimated														
**** KSNK TV, McCook, NE & KSNW TV, Wichita June figures estimated														
KSHB TV/41, Kansas City, MO reported airing the spots in July/Aug. 1986. However, they did not report the \$ value due to corporate policy of not divulging that information.														
TOTAL-ALL STATIONS:		40,067.05	47,330.45	35,035.25	29,706.05	26,314.25	22,917.55	17,861.30	19,298.35	46,603.73	50,374.28	54,046.73	51,227.43	440,782.42

AH KANSAS TOURISM SPOTS  
 KANSAS ASSOCIATION OF BROADCASTERS  
 JULY TO DECEMBER 1987, FY '88

		JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YEAR-TO-DATE	
	STATION	VALUE	VALUE	VALUE	VALUE	VALUE	VALUE	VALUE	
7	KSAJ FM ABILENE	\$233.33	233.33					\$466.66	
8	KERE AM * ATCHISON						\$1,440.00	\$1,440.00	
9	KKOY AM CHANUTE	\$620.00	620	\$600.00	\$620.00	\$540.00		\$3,000.00	
10	KKDY FM CHANUTE	\$496.00	\$496.00	\$480.00	\$496.00			\$1,968.00	
11	KCLY FM CLAY CENTER	\$325.25	\$318.75	\$303.50	\$310.00	\$275.50		\$1,533.00	
12	KINF FM DODGE CITY	Reported airing 350 spots for the school year, but did not report any corresponding \$ values.							\$0.00
13	KSP6 A/F EL DORADO	\$465.00	\$465.00	\$450.00	\$465.00			\$1,845.00	
14	KNGM FM EMPORIA	\$55.00	\$129.00	\$104.50				\$288.50	
15	KMDO AM FORT SCOTT		\$200.00					\$200.00	
16	KOMB FM FORT SCOTT		\$200.00					\$200.00	
17	KIUL AM GARDEN CITY	\$371.20	\$364.80	\$358.40	\$371.20	\$352.00	\$371.20	\$2,188.80	
18	KLOE AM GOODLAND	\$330.00	\$360.00		\$294.00	\$300.00	\$252.00	\$1,536.00	
19	KZXL FM GREAT BEND	\$352.50	\$375.00					\$727.50	
20	KAYS AM HAYS	\$140.00	\$311.00	\$150.00	\$336.00			\$937.00	
21	KHAZ FM HAYS	\$184.00	\$248.40	\$193.20	\$55.20	\$92.00		\$772.80	
22	KNZA FM HIAWATHA	\$825.00	\$1,005.00	\$688.00				\$2,518.00	
23	KHKK FM HOISINGTON	\$440.00	\$1,000.00	\$800.00	\$960.00	\$960.00		\$4,160.00	
24	KHUT FM HUTCHINSON	\$992.00	\$992.00	\$960.00	\$992.00	\$960.00	\$992.00	\$5,888.00	
25	KWBW AM HUTCHINSON	\$880.40	\$880.40	\$852.00	\$880.40	\$852.00	\$880.40	\$5,225.60	
26	KJCK AM JUNCTION CITY	\$403.00	\$403.00	\$390.00	\$390.00	\$480.00	\$403.00	\$2,469.00	
27	KJCK FM JUNCTION CITY	\$210.00	\$465.00	\$450.00	\$420.00	\$510.00	\$434.00	\$2,489.00	
28	KANS AM LARNED		\$180.00					\$180.00	
29	KQDF FM LARNED		\$180.00					\$180.00	
30	KLWN AM LAWRENCE	\$2,772.00	\$2,912.00	\$1,897.50	\$1,953.75	\$1,987.50	\$2,025.00	\$13,547.75	
31	KLZR FM LAWRENCE	\$1,913.20	\$1,838.05	\$1,560.00	\$1,901.25	\$1,875.00	\$1,901.25	\$10,988.75	
32	KSCB AM ** LIBERAL	\$2,726.00	\$202.50	\$225.00	\$201.50	\$180.00		\$3,535.00	
33	KSCB FM LIBERAL		\$202.50	\$225.00	\$201.50	\$180.00		\$809.00	
34	KSKU FM LYONS/HUTCHINSON	\$2,990.00						\$2,990.00	
35	KKSU AM MANHATTAN							\$0.00	
36	KMAN AM MANHATTAN	\$180.00	\$225.00	\$195.00	\$180.00	\$225.00	\$180.00	\$1,185.00	
37	KMKF FM MANHATTAN	\$120.00	\$150.00	\$120.00	\$120.00	\$150.00	\$120.00	\$780.00	
38	KSDB FM MANHATTAN							\$0.00	
39	KUDL FM MERRIAM	\$500.00						\$500.00	
40	WHB AM MERRIAM	\$500.00						\$500.00	
41	KLKC AM PARSONS	\$495.00						\$495.00	
42	KLKC FM PARSONS	\$495.00						\$495.00	
43	KKOW AM PITTSBURG	\$688.00	\$576.00					\$1,264.00	
44	KKOW FM PITTSBURG	\$688.00	\$576.00					\$1,264.00	
45	KSEK AM PITTSBURG	\$85.00	\$136.00					\$221.00	
46	KDAY FM RUSSELL	\$360.00						\$360.00	
47	KRSL AM RUSSELL	\$360.00						\$360.00	
48	KINA AM SALINA	\$720.00	\$480.00	\$480.00	\$720.00	\$720.00	\$300.00	\$3,420.00	
49	KSAL AM SALINA	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00		\$5,750.00	
50	KYEZ FM SALINA	\$1,085.00	\$1,085.00					\$2,170.00	

AH KANSAS TOURISM SPOTS  
 KANSAS ASSOCIATION OF BROADCASTERS  
 JULY TO DECEMBER 1987, FY '88

STATION	JULY VALUE	AUGUST VALUE	SEPTEMBER VALUE	OCTOBER VALUE	NOVEMBER VALUE	DECEMBER VALUE	YEAR-TO-DATE VALUE					
KHUM FM TOPEKA	\$2,710.00						\$2,710.00					
KJTY FM TOPEKA		\$25.00					\$25.00					
KTPK FM TOPEKA					\$1,890.00	\$1,951.00	\$3,841.00					
WIBW AM TOPEKA	\$432.00	\$560.00	\$368.00	\$400.00	\$496.00	\$368.00	\$2,624.00					
KIN NET TOPEKA - STATEWIDE	\$9,300.00	\$11,400.00	\$11,400.00	\$11,400.00	\$11,400.00	\$11,400.00	\$66,300.00					
KULY AM ULYSSES			\$320.00	\$160.00			\$480.00					
KHUB FM ULYSSES-HUGOTON			\$320.00	\$160.00			\$480.00					
KLEY AM WELLINGTON	\$283.50	\$306.00	\$226.50	\$265.50	\$189.00	\$103.50	\$1,374.00					
KZED FM WELLINGTON	\$257.00	\$280.50	\$279.00	\$199.50	\$307.50	\$171.00	\$1,494.50					
KFDI AM WICHITA		\$450.00	\$450.00				\$900.00					
KFDI FM WICHITA		\$450.00	\$450.00				\$900.00					
KLED AM WICHITA	\$1,080.00	\$2,790.00	\$2,700.00	\$2,790.00	\$1,800.00	\$1,860.00	\$13,020.00					
KNSS AM WICHITA	\$80.00						\$80.00					
KRZZ FM WICHITA	\$80.00						\$80.00					
KVFW AM WINFIELD	\$385.00	\$465.00	\$250.00	\$370.00	\$200.00		\$1,670.00					
<b>RADIO TOTALS:</b>	<b>\$39,757.38</b>	<b>\$35,686.23</b>	<b>\$0.00</b>	<b>\$29,395.60</b>	<b>\$0.00</b>	<b>\$28,762.80</b>	<b>\$0.00</b>	<b>\$28,071.50</b>	<b>\$0.00</b>	<b>\$25,152.35</b>	<b>\$0.00</b>	<b>\$186,825.86</b>
KTVC TV DODGE CITY	\$1,140.00	\$1,545.00	\$1,515.00	\$1,020.00	\$480.00	\$180.00	\$5,880.00					
KLOE TV GOODLAND	\$775.00	\$600.00	\$887.50	\$475.00	\$475.00	\$712.50	\$3,925.00					
KSNC TV GREAT BEND	\$300.00	\$560.00					\$860.00					
KSNK TV OBERLIN			\$154.00		\$112.00	\$84.00	\$350.00					
KSNT TV TOPEKA	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$27,000.00					
KTKA TV TOPEKA	\$1,495.00	\$2,045.00					\$3,540.00					
WIBW TV TOPEKA	\$2,200.00	\$9,790.00					\$11,990.00					
KAKE TV WICHITA	\$1,920.00						\$1,920.00					
KSNW TV WICHITA	\$2,000.00						\$2,000.00					
<b>TV TOTALS:</b>	<b>\$14,330.00</b>	<b>\$19,040.00</b>	<b>\$0.00</b>	<b>\$7,056.50</b>	<b>\$0.00</b>	<b>\$5,995.00</b>	<b>\$0.00</b>	<b>\$5,567.00</b>	<b>\$0.00</b>	<b>\$5,476.50</b>	<b>\$0.00</b>	<b>\$57,465.00</b>
<b>TOTALS - ALL STATIONS:</b>	<b>\$54,087.38</b>	<b>\$54,726.23</b>	<b>\$36,452.10</b>	<b>\$34,757.80</b>	<b>\$33,638.50</b>	<b>\$30,628.85</b>	<b>\$244,290.86</b>					

\* KERE AM, ATCHISON - FIGURES REPORTED IN DECEMBER COVER OCT., NOV. & DEC. 1987

\*\* KSCB AM/FM, LIBERAL - JULY FIGURES FOR BOTH STATIONS ARE LISTED UNDER THE FM ALONG WITH 5 MONTHS OF 86-87 THAT WERE REPORTED LATER.



**kansas  
small business  
development center**

**STATEMENT OF TESTIMONY**

**CYNTHIA FRIEND  
INTERIM STATE DIRECTOR  
KANSAS SMALL BUSINESS DEVELOPMENT CENTERS**

**BEFORE  
THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT  
AGENCIES OF THE EXECUTIVE BRANCH**

**MARCH 1988  
TOPEKA, KANSAS**

*Attachment XIII  
Senate Eco Dev  
3-16-88*

**Emporia State  
University**  
Emporia, KS  
66801  
(316) 343-1200, Ext. 308

**Fort Hays State  
University**  
Hays, KS  
67601  
(913) 628-5340

**Johnson County  
Community College**  
65210-9990  
(913) 469-8500, Ext. 3623

**Kansas State  
University**  
Manhattan, KS  
66506  
(913) 532-5827

**Pittsburg State  
University**  
Pittsburg, KS  
66762  
(316) 231-7000, Ext. 4593

**The University of  
Kansas**  
Lawrence, KS  
66045  
(913) 864-3536

**Washburn University  
of Topeka**  
Topeka, KS  
66621  
(913) 295-6305

**The Wichita State  
University**  
Wichita, KS  
67208-1595  
(316) 689-3193

**KSBDK Statewide Administrative Office**  
021 Clinton Hall  
Campus Box 148  
The Wichita State University  
Wichita, Kansas 67208-1595  
(316) 689-3193

MR. CHAIRMAN, MY NAME IS CYNTHIA FRIEND. I AM CURRENTLY SERVING AS INTERIM STATE DIRECTOR OF THE KANSAS SMALL BUSINESS DEVELOPMENT CENTER LOCATED AT WICHITA STATE UNIVERSITY. I APPRECIATE THIS OPPORTUNITY TO TESTIFY BEFORE YOU ON THE KANSAS SMALL BUSINESS DEVELOPMENT CENTER PROGRAM.

SINCE MOST OF YOU ARE VERY FAMILIAR WITH THE SBDC PROGRAM I'D LIKE TO SIMPLY PROVIDE AN OVERVIEW OF OUR 4 1/2 YEARS ACCOMPLISHMENTS AND AN UPDATE ON OUR CURRENT YEAR PROGRAM. THEN, I'LL ADDRESS THE PROCUREMENT TECHNICAL ASSISTANCE PROGRAM WHICH HAS BECOME A VITAL ELEMENT IN HELPING KANSAS SMALL BUSINESSES LEARN ABOUT AND BID ON GOVERNMENT CONTRACTS - BOTH FEDERAL AND STATE.

AS YOU'RE AWARE, SBDCs PROVIDE FREE ONE-ON-ONE BUSINESS COUNSELING, LOW-COST TRAINING SEMINARS AND INFORMATION AND REFERRAL SERVICES. SINCE BEGINNING IN OCTOBER 1983, SBDCs HAVE COUNSELED MORE THAN 6,200 SMALL BUSINESSES AND PROVIDED 883 SEMINARS WITH OVER 21,000 ATTENDEES. DURING 1987, KSBDC COVERED ALL KANSAS COUNTIES, PROVIDING COUNSELING AND/OR TRAINING IN EVERY COUNTY. (SEE APPENDIX 1 FOR 4 YEAR OVERVIEW.)

THE FUNDING YOU AND OTHER KANSAS LEGISLATORS HAVE APPROPRIATED THE PAST TWO YEARS HAS ENABLED KSBDC TO REACH ALL COUNTIES VIA SATELLITE CENTERS AND/OR CIRCUIT RIDERS. YOU ENCOURAGED KSBDC TO CO-LOCATE WITH OTHER ECONOMIC DEVELOPMENT ENTITIES IN ORDER TO BE AS EFFICIENT AND ACCESSIBLE AS POSSIBLE FOR SMALL BUSINESS CLIENTS. IT WAS AN EXCELLENT STRATEGY AND MUCH PROGRESS HAS BEEN MADE IN DOING THIS DURING THE PAST TWO YEARS. (SEE APPENDIX 2 FOR LISTING OF CO-LOCATIONS)

ALTHOUGH FEDERAL AND STATE FUNDS HAVE REMAINED AT THE SAME LEVEL THE PAST 2 YEARS, KSBDC HAS PROVIDED MORE COUNSELING AND TRAINING THROUGH INCREASINGLY EFFICIENT MANAGEMENT OF THE RESOURCES. FOR EXAMPLE, OUR 1988 TAX CALENDAR ANSWERS MANY QUESTIONS SMALL BUSINESS OWNERS TYPICALLY ASK OUR CONSULTANTS. WE ARE ABLE TO MINIMIZE COUNSELING TIME BY DISTRIBUTING A CONCISE CALENDAR WHICH PROVIDES INFORMATION ON FEDERAL AND STATE TAX FORMS, SOCIAL SECURITY AND WITHHELD INCOME TAX, A RECORDS RETENTION CHECKLIST AND THE NEW IMMIGRATION LAW REQUIREMENTS APPLIED TO HIRING NEW EMPLOYEES.

IN 1988, KSBDC'S GOAL IS TO CONTINUE TO PROVIDE COUNSELING AND TRAINING SERVICES TO ALL COUNTIES, FOCUSING, HOWEVER, ON INDEPTH (12 HOURS OR MORE) COUNSELING. THIS IS WHERE THE GREATEST ECONOMIC IMPACT OCCURS.

THE KANSAS DEPARTMENT OF COMMERCE IS CURRENTLY IN THE PROCESS OF EVALUATING THE IMPACT OF SBDC SERVICES THROUGH A SURVEY BEING CONDUCTED BY THE UNIVERSITY OF KANSAS. THE IMPACT EVALUATION WILL ADDRESS, TO THE EXTENT POSSIBLE, JOB CREATION AND SALES AND TAX DOLLARS GENERATED AS A RESULT OF SBDC SERVICES.

A RECENT PERFORMANCE EVALUATION SURVEY (OCTOBER 1983 - JUNE 1986) CONDUCTED BY THE KSBDC STATE OFFICE INDICATED THAT 86% OF ALL SBDC CLIENTS RATED OUR SERVICE AS GOOD, VERY GOOD, OR EXCELLENT. THAT SAME PERCENTAGE SAID THEY WOULD RECOMMEND SBDC SERVICES TO OTHER SMALL BUSINESS OWNERS.

DURING 1988 ALONE, KSBDC HAS COMPLETED 294 COUNSELING CASES AND HAS SPONSORED 45 SEMINARS. THERE ARE APPROXIMATELY 320 CASES UNDERWAY.

IN SHIFTING GEARS TO THE PROCUREMENT TECHNICAL ASSISTANCE PROGRAM, THE LATEST STATISTICS ON KANSAS' PROGRESS IN THE PROCUREMENT ARENA ARE AS FOLLOWS:

<u>YEAR</u>	<u>#CONTRACT ACTION</u>	<u>TOTAL AMT AWARDED</u>	<u>% TOTAL FED PROCUREMENT</u>	<u>NATIONAL RANK</u>
1985	3771	2,257,462,000	1.236%	23
1986	3820	2,111,832,000	1.157%	27
1987	3655	1,481,134,000	0.830%	30

SOURCE: FEDERAL PROCUREMENT DATA SYSTEM G.S.A  
STANDARD REPORT FY 1985, 1986, 1987.

FEDERAL CONTRACTS AWARDED TO KANSAS SMALL BUSINESSES HAVE DRAMATICALLY DECREASED AS OTHER STATES HAVE BECOME MORE SOPHISTICATED IN HELPING SMALL BUSINESSES KNOW HOW TO COMPETE FOR FEDERAL CONTRACTS. KANSAS RANKED 19TH IN 1984 IN THE AMOUNT OF TOTAL FEDERAL DOLLARS RECEIVED. IN 1987, KANSAS SLIPPED 11 PLACES TO 30TH NATIONALLY.

KSBC IS IN A GOOD POSITION TO ASSIST IN REVERSING THIS TREND. IN LATE 1986, KSBC RECEIVED A GRANT FROM THE DEFENSE LOGISTICS AGENCY WHICH ALLOWED KSBC AND REGIONAL SBDCs TO PROVIDE PROCUREMENT ASSISTANCE AND COUNSELING TO SMALL BUSINESSES IN KANSAS. KSBC'S MISSION, THEN, IS TO HELP SMALL BUSINESS LEARN ABOUT AND PURSUE OPPORTUNITIES OF SELLING THEIR PRODUCTS AND/OR SERVICES TO VARIOUS LEVELS OF GOVERNMENT.

WHILE KSBC EXPERIENCED A SLOW START UP PERIOD, AS DID SOME OTHER STATES, THE PROGRAM HAS DEVELOPED STAFF WITH PROCUREMENT EXPERTISE, AN IMPRESSIVE PROCUREMENT LIBRARY (MAIN ONE AT KSBC OFFICE; SMALLER ONES AT EACH REGIONAL CENTER) AND HAS IN PLACE THE ABILITY TO DEVELOP AND OPERATE A MATCH PROGRAM FOR STATE OPPORTUNITIES THAT PARALLELS THE CURRENT "PROCURESEARCH" FEDERAL MATCHING PROGRAM.



THE CURRENT 'PROCURESEARCH' COMPUTER PROGRAM SYNOPSISIZES THE COMMERCE BUSINESS DAILY AND MATCHES THOSE BID OPPORTUNITIES THAT THE FEDERAL GOVERNMENT HAS WITH CLIENTS WE HAVE REGISTERED IN THE KSBDC OFFICE. DAILY, THE SYSTEM IS DOWNLOADED, PRINTOUTS ARE GENERATED FOR MATCHES AND THEN MAILED TO APPROPRIATE CLIENTS. CURRENTLY THERE ARE 265 CLIENTS IN THE SYSTEM WHICH HAVE GENERATED 27,759 MATCHES (THROUGH MARCH 12, 1988). IN A TYPICAL DAY, 150 NEW MATCHES ARE GENERATED. (SEE APPENDIX 3)

KSBDC HAS ALSO WORKED CLOSELY WITH DLA, SBA AND KDOC TO PROVIDE TRAINING SEMINARS TO ACQUAINT BUSINESSES WITH FEDERAL AND STATE PROCUREMENT PROCESSES. SINCE THE BEGINNING OF THE PROGRAM, MORE THAN 900 PERSONS HAVE ATTENDED SPONSORED OR CO-SPONSORED KSBDC PROCUREMENT SEMINARS. SEMINARS HAVE BEEN HELD AT EMPORIA, PITTSBURG, SALINA, KANSAS CITY, JUNCTION CITY/FORT RILEY, LAWRENCE, HUTCHINSON, ANDOVER, ARKANSAS CITY, COUNCIL GROVE, COFFEYVILLE, INDEPENDENCE AND CHANUTE.

ON MAY 13, 1988 REPRESENTATIVE PAT ROBERTS IS SPONSORING A PROCUREMENT SEMINAR TO BE HELD IN DODGE CITY. KSBDC PLANS TO BE ACTIVELY INVOLVED IN MEETING WITH SMALL BUSINESS OWNERS DURING THE CONFERENCE TO PROVIDE TECHNICAL ASSISTANCE AND OFFER PROCURESEARCH SERVICES. A SIMILAR CONFERENCE WAS HELD LAST MARCH WITH REPRESENTATIVE ROBERT WHITTAKER.

ALTHOUGH KSBDC DID NOT RECEIVE A SECOND YEAR D.L.A. AWARD, CARRYOVER MONIES AND WSU CONTRIBUTIONS ENABLED KSBDC TO CONTINUE TO BUILD A VALUABLE PROGRAM.

DIRECT FINANCIAL SUPPORT FROM THE KANSAS STATE LEGISLATURE IS NECESSARY TO ENSURE THAT KSBDC CAN CONTINUE TO PROVIDE MUCH NEEDED PROCUREMENT TECHNICAL ASSISTANCE. KSBDC IS REQUESTING \$100,000 FOR FY

1989 WHICH MAY BE UTILIZED AS MATCH FOR A NEW DEFENSE LOGISTICS AGENCY APPLICATION FOR FY 1989. STATE COMMITMENT AND SUPPORT OF THE PROCUREMENT PROGRAM WOULD GREATLY ENHANCE THE COMPETITIVENESS OF KSBDC'S PROPOSAL.

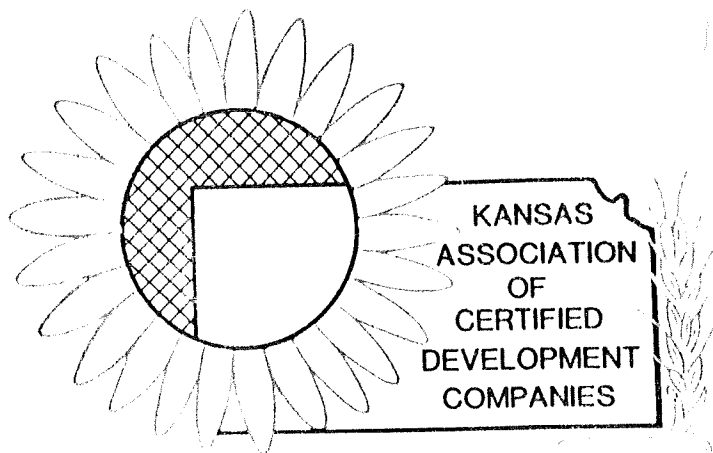
IN SUMMARY, KSBDC IS COMMITTED TO WORKING CLOSELY WITH SBA, KDOC, CERTIFIED DEVELOPMENT COMPANIES, THE KANSAS CHAMBER OF COMMERCE AND INDUSTRY, AND OTHER ECONOMIC DEVELOPMENT ENTITIES TO ENCOURAGE AND PROMOTE ECONOMIC GROWTH OF SMALL BUSINESS IN KANSAS.

WE ARE ASKING FOR A COMMITMENT OF \$250,000 FOR MANAGEMENT ASSISTANCE AND \$100,000 FOR PROCUREMENT ASSISTANCE IN FY 1989 TO ENABLE US TO ACCOMPLISH OUR MUTUAL GOALS. (SEE APPENDIX 4 FOR CURRENT AND PROPOSED FUNDING LEVELS).

SEVERAL REGIONAL CENTER DIRECTORS ARE WITH ME TODAY TO PROVIDE AN UPDATE ON THEIR SPECIFIC CENTER ACTIVITIES. I WILL INTRODUCE THEM AND THEN BE GLAD TO ANSWER ANY QUESTIONS YOU MIGHT HAVE. THANK YOU AGAIN FOR THIS OPPORTUNITY.

KANSAS ASSOCIATION OF CERTIFIED DEVELOPMENT COMPANIES

Chris Imming  
Associate Director  
City of Topeka Community and  
Economic Development Dept.



Certified Development Companies (CDC's) exist in all states including 16 in Kansas. The primary function of CDC's is to provide financial packaging assistance to small businesses to stimulate investment and create jobs within their areas of operation.

In Kansas CDCs provide direct loan packaging assistance to small businesses in their areas. Applications for financial assistance are mostly for SBA loan guarantees but also include CDBG, UDAG, and conventional finance packages. Packages are done in cooperation with local financial institutions. Some CDCs also provide assistance in the preparation of applications from other funding sources such as the Economic Development Administration (EDA), venture capital, IRB's, and others.

As economic development programs have taken shape in Kansas over the last few years the Kansas Certified Development Companies have evolved as the principal financial packagers at the local level due to the various ways that SBA 504 loans can be combined with other sources of financing, i.e. SBA 7(a), CDBG, FmHA, UDAG, EDA, commercial loans, etc.. CDC staffs recognize that effective loan packaging requires the ability to tap all available financial resources. CDC's operate within specific geographic areas and are governed by a board of directors elected from within that area.

The performance of CDCs in Kansas has shown them to be effective economic development financing organizations in Kansas. In FY 86 CDCs completed 88 projects with a total investment of \$28,360,291. In FY 87 CDCs completed 125 projects with a total investment of \$51,318,337 resulting in the creation of 1,289 jobs and the retention of 1,068 jobs. Since the beginning of the SBA 503 program Kansas CDCs have received approval of \$20,467,000 for 174 SBA 503 and 504 loans which typically represent no more than 40% of total project costs. In addition because the source of these funds is the national financial markets this \$20 million infusion into Kansas has come largely from financial resources outside the state. 60% of the jobs created or retained by projects funded through CDC's over the last year met the KDOC definition of basic jobs.

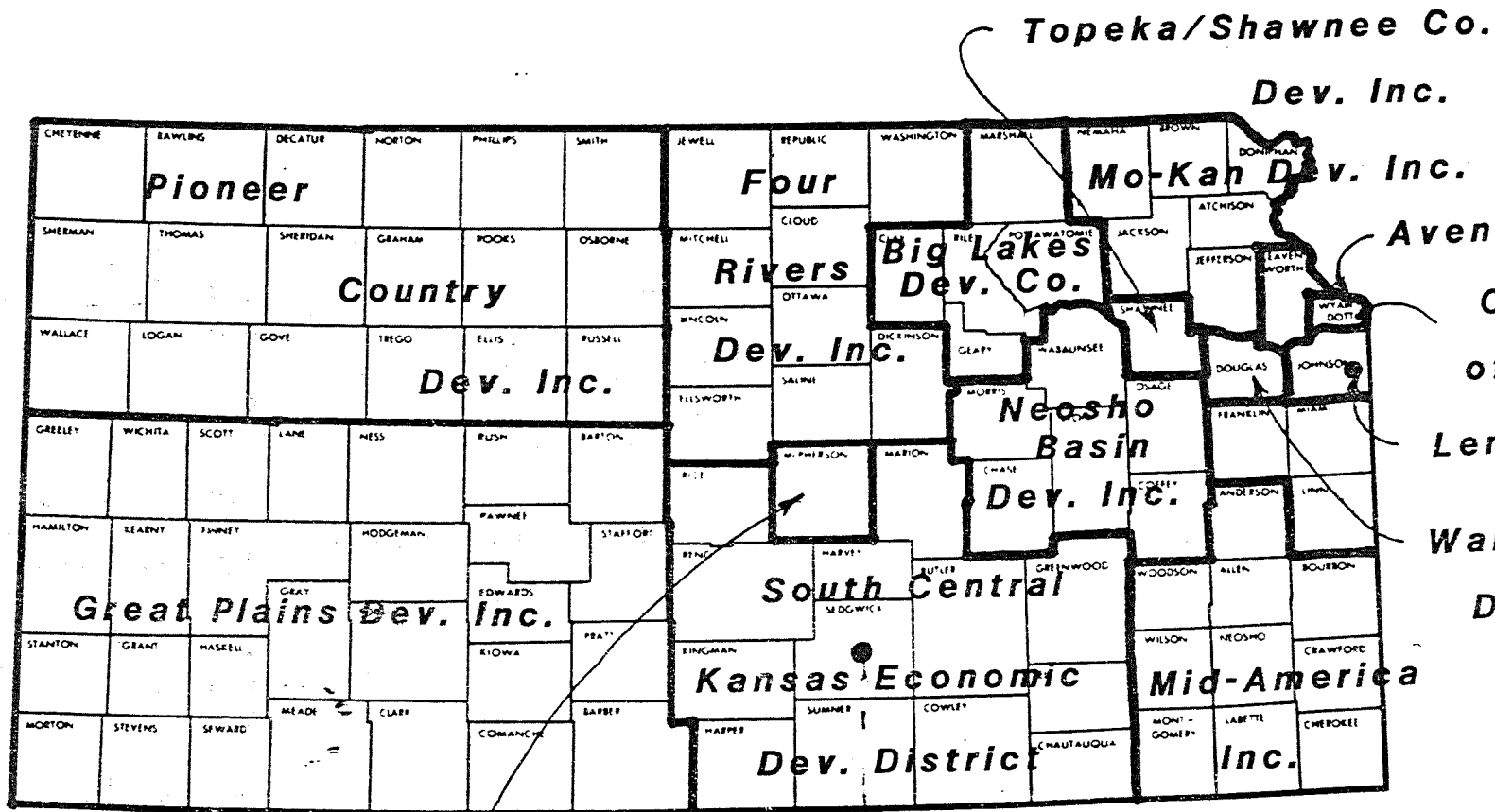
Attachment XIV  
Senate Eco Div  
3-16-88

The need for loan packaging services that CDC's provide is based on experiences throughout Kansas which have shown that most small business operators are not adept at developing or articulating their financing needs and not all financial institutions are knowledgeable of the various types of public financing sources. A CDC is the unique location where small business owners, local bankers, and community leaders can receive direct assistance with business investment opportunities in their areas.

In FY 86 the Kansas Legislature appropriated \$400,000 and the Kansas Dept. of Commerce distributed \$346,000 to CDCs across Kansas. In FY 87 the Legislature appropriated and the KDOC distributed \$388,500 to Kansas CDCs. As a result of these investments by the State of Kansas new CDCs have been certified and existing CDCs have been able to expand so that all 105 counties in Kansas are now served by CDCs.

In the last couple of years one of the primary goals of CDCs statewide is to develop cooperative relationships with other economic development organizations in the state. As a result of this effort some CDCs have successfully colocated their operations with the Kansas Dept. of Commerce, Small Business Development Centers, local universities, a venture capital firm, local governments, regional planning commissions, and local chambers of commerce.

The members of the Kansas Association of Certified Development Companies would like to express their appreciation for the commitment and cooperation of the State of Kansas over the past few years. This commitment may very well have enabled some CDCs to continue their service to businesses in their areas. The Kansas Association of CDC's also requests that careful consideration be given to increasing this investment to \$600,000 as was included in the KDOC's "C" level budget request. The increased funding would allow CDC's to further expand their services into the new counties now served by CDCs and would provide new CDCs the level of funding necessary to provide quality services in their communities.



**Topeka/Shawnee Co. Dev. Inc.**

**Dev. Inc.**

**Mo-Kan Dev. Inc.**

**Avenue Area Inc.**

**Citywide Dev. Corp. of Kansas City, Ks.**

**Lenexa Dev. Co.**

**Wakarusa Valley Dev. Inc.**

**McPherson Co.**

**Small Business Dev. Assoc.**

**Wichita Area Dev. Inc.**

CERTIFIED DEVELOPMENT COMPANIES IN KANSAS

- A. AVENUE AREA, INC.  
Tom Overby  
Brother Building, No. 395  
8th & State  
Kansas City, KS 66101  
(913) 371-0065
- B. BIG LAKES CERTIFIED  
DEVELOPMENT COMPANY  
Ron Radial  
104 South 4th  
Manhattan, KS 66502-6110  
(913) 776-0417
- C. CITY-WIDE DEVELOPMENT  
CORPORATION OF KANSAS CITY, KS  
Lavert Murray  
701 North 7th, Room 720  
Kansas City, KS 66101  
(913) 573-5730
- D. FOUR RIVERS DEVELOPMENT, INC.  
John Cyr  
119 N. Hersey Street  
Beloit, KS 67420  
(913) 738-2218
- E. GREAT PLAINS DEVELOPMENT
1. Ronald D. Nicholas  
100 Military  
P.O. Box 1116  
Dodge City, KS 67801  
(316) 227-6406
  2. Gerald Cooper  
1111 Kansas Plaza  
Garden City, KS 67846  
(316) 275-9176
  3. Ronald D. Nicholas  
P.O. Box 8776  
Pratt, KS 67124  
(316) 672-9421
- F. LENEXA DEVELOPMENT CO., INC.  
Roger Kroh  
Director of Economic Development  
P.O. Box 14244  
Lenexa, KS 66215  
(913) 888-1826  
(To be merged with Johnson County)
- F1. JOHNSON COUNTY CDC  
Mike McCord, Director  
Metcalf State Bank Building  
Suite 100 - 7200 W. 75th St.  
Overland Park, KS 66204  
(913) 831-3365
- G. MCPHERSON COUNTY SMALL  
BUSINESS DEVELOPMENT  
Don Reed  
101 South Main  
McPherson, KS 67460  
(316) 241-0431
- H. MID-AMERICA, INC.  
Don Munsell  
P.O. Box 708  
Parson, KS 67357  
(316) 421-6350
- I. MO-KAN DEVELOPMENT, INC.  
Terry Murphy  
1302 Faraon Street  
St. Joseph, MO 64501  
(816) 233-8485
- J. NEOSHO BASIN DEVELOPMENT CO.  
Dr. Bart Finney, Director  
Emporia State University  
Emporia, KS 66801  
(316) 343-1200
- K. PIONEER COUNTRY DEV., INC.  
Ned Webb  
317 N. Pomeroy  
Hill City, KS 67642  
(913) 674-3488
- L. SOUTH CENTRAL KANSAS ECONOMIC  
DEVELOPMENT DISTRICT  
Jack Alumbaugh  
727 N. Waco, No. 565  
Wichita, KS 67203  
(316) 262-5248
- M. TOPEKA-SHAWNEE COUNTY  
DEVELOPMENT CORPORATION  
Chris Inming  
820 Quincy, Suite 501  
Topeka, KS 66612  
(913) 234-0076

CERTIFIED DEVELOPMENT COMPANIES IN KANSAS

N. WAKARUSA VALLEY DEVELOPMENT, INC.

Charles Becker  
Box 1732  
Lawrence, KS 66044  
(913) 841-7225

O. WICHITA AREA DEVELOPMENT, INC.

Marvin L. Wynn  
350 West Douglas  
Wichita, KS 67202  
(316) 265-7771

P. LEAVENWORTH AREA DEVELOPMENT, INC.

Tom Riederer  
518 Shawnee  
P.O. Box 44  
Leavenworth, KS 66048  
(913) 682-6579

Kansas Association of Certified  
Development Companies (KACDC)  
November, 1987

KANSAS  
CERTIFIED DEVELOPMENT  
COMPANIES

LETTERS OF SUPPORT



# Farmers National Bank

## Remote Service Unit



735 State P. O. Box 546 913-543-5238 Phillipsburg, Ks. 67661



February 13, 1987

Pioneer Country Development, Inc.  
317 N. Pomeroy Ave.  
Hill City, KS 67642

Dear Monte,

I am writing on behalf of the Peoples Store in Agra, Kansas, which through your efforts was able to stay in operation in our town after the death of the owner. As a bank, this was one of the best loans we have participated in for not only the benefit of the new owners, but also the community as a whole. Many of the residents of our town are dependent on the store as they are unable to make the trip to Phillipsburg to shop, and there was great concern throughout the entire town when Mr. Sims passed away. We knew we had to do something to keep the store open, and the answer came through the SBA program, as presented by your company. I would like to take this opportunity to express my appreciation for your assistance and professionalism in the initiation of this loan. We are very happy to be associated with Pioneer Country Development, and anticipate a long and fruitful association with your office.

Respectfully,

A handwritten signature in cursive script that reads "Michael J. McCauley".

Michael J. McCauley  
Ass't VP

# Farmers National Bank

## Remote Service Unit



735 State

P. O. Box 546

913-543-5238

Phillipsburg, Ks. 67661



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Respectfully,

A handwritten signature in cursive that reads "Michael J. McCauley".

Michael J. McCauley  
Ass't VP

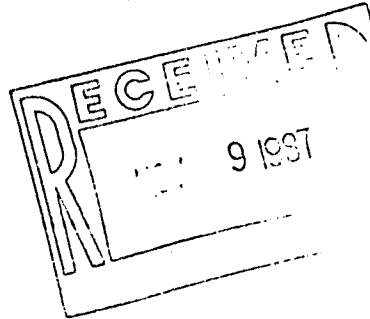
# Presta Oil Company

**Incorporated**

Box 1709 • Garden City, Kansas 67846 • 316/275-7564



November 5, 1987



Ronald D. Nicholas  
Small Business Director  
100 Military, Suite 214  
P.O. BOX 1116  
Dodge City, Ks. 67801

**Terry P. Presta**  
President  
**John Perkins**  
Vice President  
**Kelly J. Presta**  
Director of Personnel  
**Glenna Atkinson**  
Corporate Supervisor

Dear Ron:

On behalf of Presta Oil Inc. I would like to thank Jan and yourself for your assistance on the Great Bend and Garden City projects. Without the Great Plains Development Inc. and the SBA assistance we received these projects would not have been possible. I feel the loss of these 2 projects would have been detrimental to the welfare of these communities and to our company.

Great Plains handling of the paperwork and formalities of these projects was very much appreciated and allowed me to concentrate on running the new businesses. Thank you.

Sincerely,

Terry Presta  
President

**TOWER**

October 29, 1987

Mr. Frank Viscek  
Citywide Development Corporation  
701 North 7th Street  
Kansas City, Kansas 66101

Dear Frank:

I would like to take this opportunity to thank you for all of your assistance in the SBA loans which have been referred by you. These loans have been both beneficial to Tower Bank and the City of Kansas City, Kansas.

Tower Bank looks forward to many more productive years in working with you and your organization.

Sincerely,



Gerald R. France  
President

GRF:lw

# XL108

January 24, 1986

Mr. Bob Hoyt  
Mr. Lyman Terry  
Mr. Marlin Isern  
County Commissioners Office  
Barton County Courthouse  
Great Bend, Kansas 67530

Dear Commissioners,

I wanted to write to thank you for your financial support of Nine County Development Corporation. KZXL radio will sign-on the air next week and I can honestly say it wouldn't have been possible without the help of Ron Nicholas and the staff at Nine County. They not only packaged the SBA loan for me but Ron personally convinced the men in charge of the SBA office that it was a workable, feasible project.

It's interesting that in making sales calls the past few weeks I've come across several local businesses that owe their very existence to Nine County.

At XL108 we have 11 fulltime and 4 part-time employees. Of the 11 fulltimers, five have moved to Great Bend from out of town. XL108 and Nine County are adding to the local economy. I'm also proud of the fact that the station is owned 100% by area people. As you may know, the other media have out-of-state ownership.

I would encourage you to consider raising your contribution each year to Nine County. Believe me, it's one program that really works.

I hope you all have a chance to drop by the studios and see what we have set up and if our station can help your efforts in county government in any way, please let me know.

Sincerely,



Lance L Saylor

cc: Ron Nicholas ✓  
Leroy Lyon

KZXL-108 FM

P.O. Box 138 • 1135 281 Bypass, Great Bend KS 67530 • (316) 792-7108



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POST OFFICE BOX 1620  
KANSAS CITY, KANSAS 66117

October 30, 1987

Mr. Frank Viscek  
Citywide Development Corporation  
701 N. 7th Street, Room 720  
Kansas City KS 66101

Dear Frank:

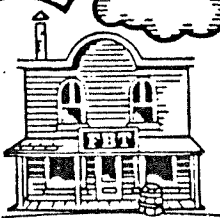
I wish to thank you for your assistance in moving our firm to your city from Kansas City, MO. Without your assistance in arranging a SBA-502 loan, and a low interest Revolving Loan Fund loan, it would have been extremely difficult to make this move.

We are continuing to expand; our present employment level has reached 135.

Sincerely,

MIKE HASKIN  
President

np



The Country Money Store

# FARMERS BANK & TRUST NA

P.O. BOX 100 ALBERT, KANSAS 67511

DEC 19 1983

December 16, 1983

Mr. Ron Nicholas  
Nine Counties Development, Inc.  
P.O.Box 8776  
Pratt, Kansas 67124-8776

RE: McDonalds of Great Bend  
SBA Loan # GP 173386 30 01 W

Dear Ron:

Please find enclosed the SBA Form # 159, which has been signed by Joseph M. and Patricia Wilson and myself, as representative of Farmers Bank & Trust NA of Albert, Kansas. Would you please complete the description of services portion and sign and date where indicated, as representative of Nine Counties Development, Inc. Please disburse the copies according to the instructions at the bottom of the sheet.

All interim loans have been paid at this institution and the permanent documents executed.

Thank you very much for your assistance in the handling of this loan request expediently and professionally. Should you have any questions or need any additional information, please do not hesitate to contact me.

Respectfully,

Kent Needham  
Sr. Vice President

KN:rl

Enclosure



April 16, 1987

Monte:


For your information, I am sending the application in Friday's mail. I guess that means we would probably receive approval about the first of the month, right?

I'm enclosing photocopies of the Downs National forms too since it doesn't indicate that he sent you a set.

Finally, I don't see any reference to a letter with the application from the bank that states that they might be forwarding funds for items within the application and will check with Dennis.

Thanks, one more time, Monte, for an excellent job on this application. We've not been aware of services from your office similar to this in the past. I think that means you're aggressively fulfilling a need for this area. Thank you for a vast improvement to the region.

Sincerely,

  
Douglas C. Brush

*P.S. - Dennis says he writes the letter when the cash is actually forwarded - right? Not now.*

*- D*

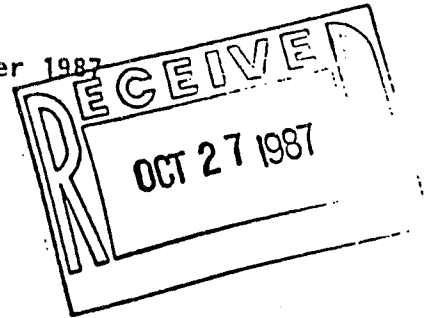




# FIRST NATIONAL BANK IN PRATT

P.O.Box N • Pratt, Ks.67124 • Telephone (316)672-6421  
Open noon hour for your convenience Member FDIC

26 October 1987



Jan Nicholas  
Great Plains Development Company, Inc.  
100 Military Plaza  
Suite 214, P. O. Box 1116  
Dodge City, KS 67801

RE: William D. Eastes, d/b/a Pratt Chiropractic Ctr.  
SBA Loan #GP 301544 30 09 W

Dear Jan:

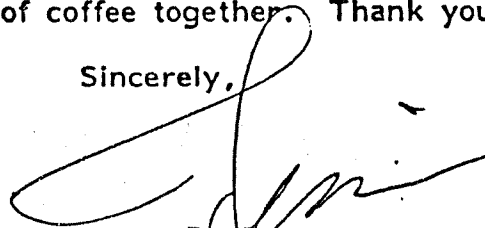
After visiting with you on the telephone today, you will find enclosed the Compensation Agreement that needs to be signed by Ron and returned to me.

You will also find enclosed a copy of the authorization for your files.

It was good visiting with you on the phone, and we appreciate the help that you give us in working with our customers.

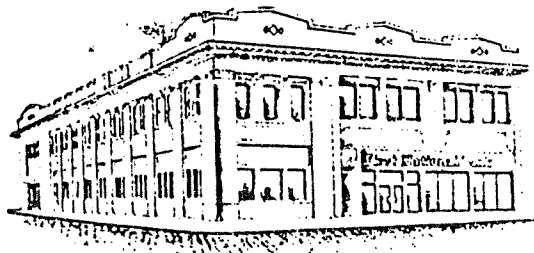
Tell Ron hello, and be sure and stop by the bank the next time you're in Pratt, so that we may have a cup of coffee together. Thank you.

Sincerely,



James R. Bunyan  
Executive Vice President

JRB:ln  
Enc.



# KANCO Super 8 Inc

Box 628  
Colby, Kansas 67701  
PH: (913) 462-8248

March 3, 1987

Mr. Monte Keller  
Pioneer Country  
Development, Inc.

Dear Mr. Keller:

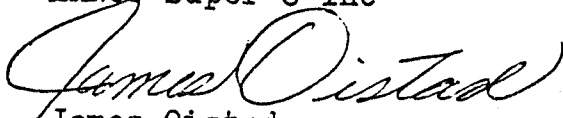
I would like to express my thanks to you and your fine organization for help in the packaging of our recent SBA 504 loan.

The professional manner used by your people left an impression and feeling of confidence.

We feel secure in knowing that you at Pioneer Country Development will be handling our program and look forward to a long and prosperous relationship.

Sincerely,

KANCO Super 8 Inc



James Oistad  
Vice President  
Secretary-Treasurer

October 30, 1987

Great Plains Development  
Dodge City, KS

Dear Ron,

Just a short note to let you know how we like the services that your office has give us. We have always had a good working relationship with your office. If we have ever had any questions you have always been able to answer them for us. Your office is working very good with us trying to get our 503 loan taken out of FDIC. In closing I guess that we are very pleased with the sevice offered by your office.

Yours Truly,



Kids Corner Day Care Center,  
Kevin Moeder  
Owner

To Whom it may Concern

We would like to take this opportunity to express our gratitude for the help & understanding of our problems in getting our loan for Mr Squeakys, I was very impressed with the way that they went the extra mile & time in getting our loan approved.

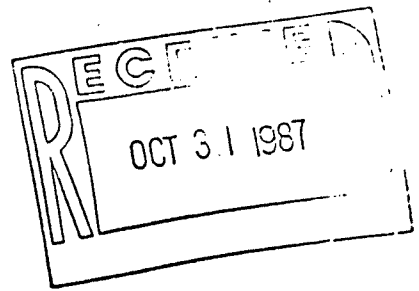
Every problem that we ran into they were there with a helping hand & good sound advice

If it hadn't been for the people at Great Dixons Development Co we wouldn't have our business today

Mr Squeakys  
Box 194  
Kinsley KS 67547

Thanks Ryan  
Cornell & Vivian  
William.

J.P.D. INC.  
P.O. Box 8776  
PRATT, Ks. 67124



The Service you have provided us has been outstanding. Without you and all the help you have given us our business would not exist. Before there were 5 people employed Now there are 12 of us. You have done a great service to us and Stafford.

I really appreciate the personal interest you have taken in us and our business and the prompt response to all the questions we have had.

Thanks For Being There

Paul W. Chandler  
P.O. Box 28  
Stafford, Ks. 67578

Remarks By

William A. Martin, CID  
Director - Economic Development  
Lawrence Chamber of Commerce

In Support Of

Industrial Development Division  
Kansas Department of Commerce

March 16, 1988

In nearly fifteen years in the economic development field, I have not worked with a more professional and dedicated state industrial development staff. Despite being at a competitive disadvantage with surrounding states, they continue to represent Kansas in a positive and professional manner.

The Lawrence Chamber of Commerce budgets over \$100,000 each year to carry out an aggressive economic development program. Our program would not be nearly as successful as it has been, in fact it may not have been possible at all, without the assistance and support of the industrial development division. One-half of the prospects we work with, and nearly all of the "major" prospects (100 employees or more), have come through the industrial development division.

Unfortunately, over the years the industrial development division has not been given the budget or the positive business climate necessary to successfully carry out their mission. Kansas and its communities could have many more prospects, and

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actual locations, if the State had a better business climate and the proper business recruitment budget.

Many parallels can be drawn between the worlds of business and government. In business, when sales weaken, we advertise. Government should do the same. When tax revenues are down, the worst we can do is retrench. Instead of reducing the number of employees in the industrial development division or leveling the advertising budget, we should increase them in order to attract more taxpaying firms and create more jobs. Only by increasing the number and quality of businesses can we generate the tax revenue we need to provide the level of services we have come to expect from government.

The Kansas Industrial Training Program (KIT) has been very successful, but it is not unique. Virtually every other state in the nation offers a similar program. KIT has been out of money since October and many firms that requested training assistance could not be helped. By reducing the funds available for KIT next year, we further reduce our competitiveness.

We wholeheartedly support and appreciate the efforts of the industrial development division of the Department of Commerce, but they need to be given the tools necessary to properly carry out their mission.