

Approved January 25, 1989  
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Elizabeth Baker at  
Chairperson

3:40 ~~pm~~ p.m. on Wednesday, January 18,, 1989 in room 423-S of the Capitol.

All members were present except: Representative Heinemann. Excused.

Committee staff present:

Jim Wilson, Revisor  
Lynne Holt, Research  
Elaine Johnson, Secretary

Conferees appearing before the committee:

Michael O'Keefe, Director of Budget  
Walter Darling, Senior Budget Analyst

The meeting was called to order at 3:40 p.m. by Chairman Baker. Michael O'Keefe, Director of Budget was recognized.

Mr. O'Keefe briefed the committee on the Economic Development Initiatives Fund. He also discussed the FY89 budget and its rationale. (Attachment 1). Mr. O'Keefe responded to questions asked by the committee.

Mr. O'Keefe recognized Walter Darling, Senior Budget Analyst who went over the FY90 budget figures with the committee and the rationale for those figures. (Attachment 1). Mr. Darling responded to questions from the committee.

The Chairman recognized Charles Warren, President of Kansas Inc.

Mr. Warren testified on the Economic Development Initiatives Fund Fiscal Year 1990 Recommendations. (Attachment 2). Mr. Warren also went over Economic Development Expenditures by source of funding and recommendations (Attachment 3).

The minutes of the January 11 and 12 meetings were approved.

The meeting adjourned at 4:55 p.m.

*Elizabeth  
Baker*

te: 1-18-89

GUEST REGISTRE

HOUSE

Committee on Economic Development

<u>NAME</u>	<u>ORGANIZATION</u>	<u>ADDRESS</u>
BUD COOPER	KCCI	TOPEKA
BILL MUIR	KANSAS STATE UNIVERSITY	MANHATTAN
Bob Johnson	KDHE	Topeka
Jan Brax	Kansas for life at its Best	Topeka
Melanie Stars	KDOA	Topeka
Jeany Frost	City of Topeka	"
Jeanne Corrigan	Kansas Lottery	Topeka
Jane Elliott	" "	"
Scott Hessel	KANSAS INC.	Topeka
Roger P. Nelson	IPPBR	KU.
<del>Jeffrey Robertson</del>	<del>TIAC</del>	<del>Topeka</del>
Charles Wanner	Ka Inc	Topeka
Mary Lou McPhail	KDOC	"
Sorup Wertz	KDOC	Topeka
Anne Smith	Hein + Ebert - Mesa	Topeka
Ann Patterson	KDOC	Topeka
Debbie Mc Castill	KDOC	Topeka
D. WAYNE ZIMMERMAN	KDOC	TOPEKA

Date: 1-18-89

GUEST REGISTER

HOUSE

Committee on Economic Development

NAME

ORGANIZATION

ADDRESS

Alison Rubin

Wichita  
Togers Eyle Bean

Ed Tuller

Inter

Mary Kennedy DeCale

Kansas Arts Commission

Gene Taylor

Gov. office

Archie Hurst

Board of Agri

Jim Edward

KCCI

Jim Maag

KBA

## ECONOMIC DEVELOPMENT

### Economic Development Initiatives Fund

In FY 1990, the Economic Development Initiatives Fund (EDIF) will receive 60 percent of the receipts deposited into the Gaming Revenues Fund, or \$15,411,264. Total available resources, which include an estimated carry-forward balance of \$.7 million and interest earnings of \$41,914, are estimated at \$16,140,454. Half of the expenditures must be evenly divided by congressional district. Estimated EDIF resources and the Governor's FY 1990 recommendations for expenditures from the fund are summarized in the table below.

#### ECONOMIC DEVELOPMENT INITIATIVES FUND

##### Resources Estimate

FY 1989 Carry-Forward .....	\$ 687,276
FY 1990 Gaming Revenues Fund Distribution .....	15,411,264
FY 1990 Interest Earnings .....	41,914
<b>Total Available .....</b>	<b>\$16,140,454</b>

##### Expenditure Estimate

Amount Distributed by Congressional District in	
Governor's Recommendation .....	\$12,280,219
Balance of Expenditures to be Distributed .....	3,211,672
<b>Total Expenditures .....</b>	<b>\$15,491,891</b>

50 Percent required to be Distributed by Congressional Districts .....\$ 7,745,946

Unallocated Reserve .....\$ 648,563

The Governor recommends several economic development initiatives in FY 1989 and FY 1990 to assist in developing an overall framework within Kansas that encourages the Kansas private sector to develop new products and companies; encourages outside companies to locate facilities in Kansas; allows local communities to compete with communities in other states for new business ventures and resulting jobs; and makes Kansas a safer and more enjoyable place to live and work.

The Governor recommends that 33.8 percent of the available funds be included as programs of the Department of Commerce to assist businesses and entrepreneurs to expand job opportunities in Kansas. The largest program recommended for Commerce is a new low-interest loan program entitled the "Kansas Partnership Program." The program will assist communities to gain infrastructure improvements that will result in new or expanding business. First recommended in FY 1989 and approved by the 1988 Legislature, this program is anticipated to be underway during the current year and fully staffed and operational in FY 1990. Also recommended for the Department of Commerce is funding to expand available funds under the Kansas Industrial Training (KIT) program and to maintain the higher FY 1989 level of expenditures for the Main Street Program, tourism activities, Film Commission efforts, and grants to Small Business Development Centers and Certified Development Companies.

The Governor recommends that 33.4 percent of the available funds be included in programs of the Kansas Technology Enterprise Corporation (KTEC). A significant step toward the development of new high-technology products and companies in Kansas is anticipated through financing of these programs. Funds are provided for Research Matching Grants, Business Innovative Research Grants, Training Equipment Grants, Research Equipment Grants, Industry Liaison activities, support of Centers of Excellence, seed capital formation, and administrative expenses. Research grants and center support allow institutions of higher education to assist private companies in the development of products or improvements to products. Seed capital is also proposed to allow KTEC to assist entrepreneurs in developing product prototypes which have significant market potential.

*House Eco Devo Comm.*

*Attachment 1*      4 - 3

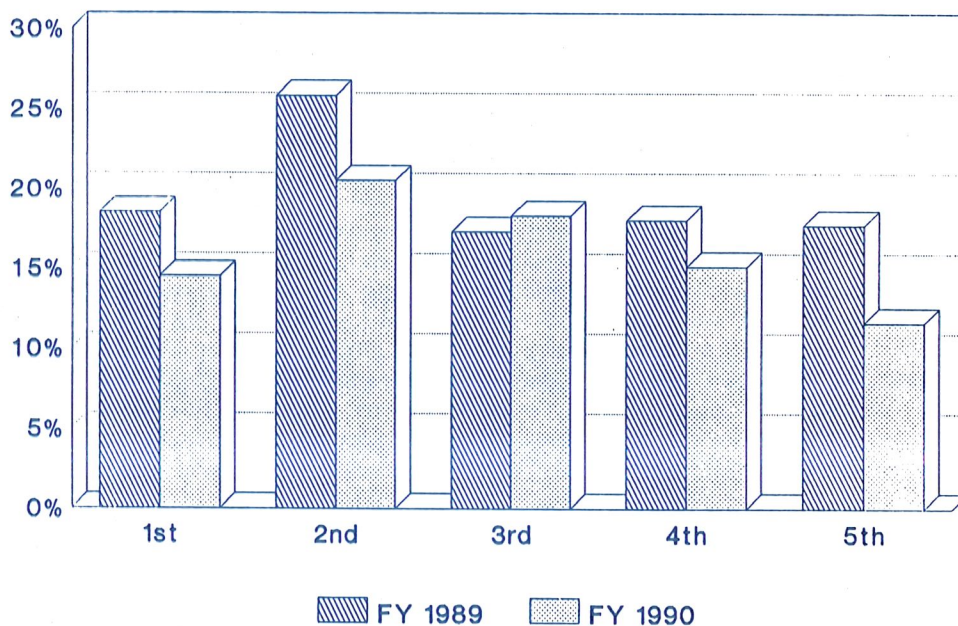
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The Governor also recommends expenditures from the Economic Development Initiatives Fund to provide a better working and living environment for businesses and workers. Approximately 26.3 percent of the available funds is set aside for natural resource investments. These include continued development of recreation facilities at Hillsdale Reservoir, a multipurpose small lake project at Jetmore, continued clean-up of salt water contamination, and a program for increasing public access to private land for recreational purposes. A state matching contribution is included for clean-up under the federal Superfund program.

The Governor also recommends expenditures from this fund for continuing the expanded marketing activities of the Board of Agriculture and for special grants from the Arts Commission. Also recommended is funding for two new projects. The amount of \$20,000 is recommended as the state portion of the Kansas McMaster's program and will be financed through the Department on Aging. The amount of \$50,000 is recommended to initiate a program of individual loans to assist selected participants in the KanWork program in order to develop the skills necessary to become self-employed. This innovative KanWork program will be financed through the Department of Social and Rehabilitation Services (SRS).

Half of the total distributed from the fund must be spent evenly by congressional district. The amount which is required to be spread by district is approximately \$6.6 million in FY 1989 and \$7.7 million in FY 1990. Divided evenly by district, approximately \$1.33 million must be spent in each district in FY 1989 and \$1.55 million in each district in FY 1990. The graph below shows that each district has received over one-fifth of the portion to be distributed by district in both FY 1989 and FY 1990. Detailed data are shown in Appendix E.

### Economic Development Initiatives Fund by Congressional District



ECONOMIC DEVELOPMENT INITIATIVES FUND  
 REVISED DISTRIBUTION ESTIMATE BY CONGRESSIONAL DISTRICT—FY 1989

	FIRST DISTRICT	SECOND DISTRICT	THIRD DISTRICT	FOURTH DISTRICT	FIFTH DISTRICT	UNDISTRI-BUTED AMOUNTS	TOTAL FUNDING
<b>Natural Resources Projects</b>							
Hillsdale Reservoir .....	\$0	\$0	\$700,000	\$0	\$0	\$0	\$700,000
Cedar Bluff Reservoir .....	365,418	0	0	0	0	0	365,418
Saltwater Contamination Clean-up .....	600,000	0	0	300,000	350,000	0	1,250,000
Wetlands .....	27,094	0	0	0	0	0	27,094
Galena Clean-up .....	0	0	0	0	500,000	0	500,000
Subtotal Natural Resources Projects ...	992,512	0	700,000	300,000	850,000	0	2,842,512
<b>Kansas Technology Enterprise Corporation (KTEC) *</b>							
Research Matching Grants .....	375,000	400,000	453,000	450,000	350,000	2,000	2,030,000
Business Innovative Research Grants ...	60,000	60,000	60,000	60,000	60,000	0	300,000
Research Equipment Grants .....	20,000	550,000	0	350,000	75,000	0	995,000
Training Equipment Grants .....	50,000	50,000	50,000	50,000	50,000	0	250,000
Industry Liaison .....	20,000	70,000	20,000	20,000	20,000	0	150,000
Centers .....	0	715,000	0	400,000	200,000	10,000	1,325,000
Agricultural Value-Added Center .....	15,000	154,000	2,000	2,000	2,000	0	175,000
Data Base Development Project .....	8,000	50,000	8,000	9,000	12,000	0	87,000
Seed Capital .....	290,000	400,000	290,000	290,000	290,000	0	1,560,000
Special Projects .....	30,000	90,000	50,000	50,000	37,732	10,000	267,732
Operations .....	6,500	175,000	6,500	19,500	19,500	12,819	239,819
Subtotal KTEC .....	874,500	2,714,000	939,500	1,700,500	1,116,232	34,819	7,379,551
Agriculture .....	37,510	69,446	35,740	11,000	9,000	41,000	203,696
Arts Commission—Art Grants .....	61,068	6,000	38,000	5,000	1,200	338,732	450,000
Racing Commission—Operations .....	0	280,000	0	0	0	0	280,000
Water Supply EPA Match .....	0	0	0	0	100,000	0	100,000
Public Broadcasting Commission .....	300,000	0	0	0	0	0	300,000
Kansas, Inc.—Research Studies .....	0	75,000	0	0	0	0	75,000
<b>Commerce</b>							
Small Business Development Centers ...	19,400	28,000	15,100	16,400	21,100	0	100,000
Certified Development Companies .....	37,925	9,447	14,791	18,001	19,338	498	100,000
Kansas Industrial Training .....	124,000	197,000	478,000	213,000	188,000	0	1,200,000
Film Commission .....	0	45,091	0	31,000	0	0	76,091
Kansas Partnership Program .....	360,000	360,000	360,000	360,000	360,000	0	1,800,000
Main Street Program .....	18,500	40,250	0	0	16,250	0	75,000
Travel and Tourism .....	0	20,000	60,000	90,000	15,000	0	185,000
Computing Resources .....	0	93,245	0	0	619,680	0	93,245
Subtotal Commerce .....	559,825	793,033	927,891	728,401	619,688	498	3,629,336
Estimated Totals by District .....	\$2,825,415	\$3,937,479	\$2,641,131	\$2,744,901	\$2,696,120	\$415,049	\$15,260,095

\* Amounts reflected for KTEC include reappropriated amounts from FY 1988.

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ECONOMIC DEVELOPMENT INITIATIVES FUND  
INITIAL DISTRIBUTION ESTIMATE BY CONGRESSIONAL DISTRICT—FY 1990

	FIRST DISTRICT	SECOND DISTRICT	THIRD DISTRICT	FOURTH DISTRICT	FIFTH DISTRICT	UNDISTRI- BUTED AMOUNTS	TOTAL FUNDING
<b>Natural Resources Projects</b>							
Hillsdale Reservoir .....	0	0	1,000,000	0	0	0	1,000,000
Recreational Access Program .....	0	0	0	0	0	1,200,000	1,200,000
Jetmore—Multipurpose Small Lake ...	451,250	0	0	0	0	0	451,250
Salt Water Contamination Clean-up Superfund .....	0	0	0	0	0	1,500,000	1,500,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Subtotal .....	451,250	0	1,000,000	0	100,000	2,700,000	4,251,250
<b>Kansas Technology Enterprise Corporation (KTEC)</b>							
Research Matching Grants .....	228,000	250,000	280,000	275,000	215,000	2,000	1,250,000
Business Innovative Research Grants ...	300,000	0	0	0	0	0	300,000
Research Equipment Grants .....	15,000	375,000	0	250,000	60,000	0	700,000
Training Equipment Grants .....	50,000	50,000	50,000	50,000	50,000	0	250,000
Industry Liaison .....	20,000	70,000	20,000	20,000	20,000	0	150,000
Centers .....	15,000	800,000	2,000	365,000	183,000	10,000	1,375,000
Seed Capital .....	200,000	200,000	200,000	200,000	200,000	0	1,000,000
Special Projects .....	14,000	42,000	23,000	23,000	17,500	5,500	125,000
Operations .....	0	276,778	0	0	0	0	<del>2</del> 276,778
Subtotal KTEC .....	842,000	2,063,778	575,000	1,183,000	745,500	17,500	5,426,778
Agriculture .....	12,000	70,000	36,000	11,000	9,000	42,000	180,000
Arts Commission—Art Grants .....	36,000	3,500	22,500	3,000	1,000	34,000	100,000
<b>New Programs</b>							
KAN Work .....	0	0	0	0	0	50,000	50,000
McMasters Program .....	0	0	0	0	0	20,000	20,000
Subtotal New Programs .....	0	0	0	0	0	70,000	70,000
<b>Commerce</b>							
Small Business Development Centers ...	19,400	28,000	15,100	16,400	21,100	0	100,000
Certified Development Companies .....	37,925	9,447	14,791	18,001	19,338	498	100,000
Kansas Industrial Training .....	124,000	197,000	478,000	213,000	188,000	225,000	1,425,000
Film Commission .....	0	47,863	0	31,000	0	0	78,863
Infrastructure Loan Program .....	700,000	700,000	700,000	700,000	700,000	0	3,500,000
Main Street Program .....	18,500	40,250	0	0	16,250	0	75,000
Travel and Tourism .....	0	20,000	0	165,000	0	0	185,000
Subtotal Commerce .....	899,825	1,042,560	1,207,891	1,143,401	944,688	225,498	5,463,863
Estimated Totals by District .....	2,241,075	3,179,838	2,841,391	2,340,401	1,800,188	3,088,998	15,491,891

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12-11

STATE ECONOMIC DEVELOPMENT INITIATIVES FUND  
FY 1989

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Year End Totals
<b>AVAILABLE RESOURCES</b>													
Carry-forward balance.....	\$1,388,074	\$72,577	\$832,356	\$1,627,573	\$1,237,566	\$838,639	\$1,975,617	\$960,542	\$1,375,934	\$1,919,388	\$55,395	\$703,141	\$1,388,074
Anticipated Revenues.....	0	1,065,399	1,062,516	706,550	946,680	1,190,645	1,134,710	1,107,000	1,030,500	976,500	1,143,000	2,056,500	12,420,000
Interest Income.....	0	0	0	0	101,096	13,333	6,482	8,393	12,953	362	4,745	4,489	151,853
Subtotal.....	1,388,074	1,137,976	1,894,872	2,334,123	2,285,341	2,042,617	3,116,810	2,075,934	2,419,388	2,896,249	1,203,141	2,764,130	13,959,927
<b>TRANSFERS</b>													
KTEC.....	689,851	0	0	0	1,379,702	0	1,107,518	0	0	1,107,518	0	1,107,518	5,392,107
Wildlife and Parks.....	50,000	0	0	27,094	0	0	365,418	0	0	650,000	0	0	1,092,512
Agriculture.....	59,565	0	0	144,131	0	0	0	0	0	0	0	0	203,696
Kansas Arts Commission	50,000	0	0	200,000	0	0	0	200,000	0	0	0	0	450,000
Kansas, Inc.....	0	0	0	75,000	0	0	0	0	0	0	0	0	75,000
Dept. of Admin. (KDFA)	0	0	0	0	0	0	0	0	0	0	0	0	0
Health and Environment.....	100,000	0	0	583,332	0	0	583,332	0	0	583,336	0	0	1,850,000
Public Broadcasting.....	0	300,000	0	0	0	0	0	0	0	0	0	0	300,000
Racing Commission.....	80,000	0	0	0	0	0	0	0	0	0	0	0	80,000
ANTICIPATED TRANSFERS.....	1,029,416	300,000	0	1,029,557	1,379,702	0	2,056,268	200,000	0	2,340,854	0	1,107,518	9,443,315
OPTIONAL TRANSFERS													
Racing Commission.....	0	0	200,000	0	0	0	0	0	0	0	0	0	200,000
EXPENDITURES													
Commerce.....	286,081	5,620	67,299	67,000	67,000	67,000	100,000	500,000	500,000	500,000	500,000	969,336	3,629,336
EDIF Balance.....	\$72,577	\$832,356	\$1,627,573	\$1,237,566	\$838,639	\$1,975,617	\$960,542	\$1,375,934	\$1,919,388	\$55,395	\$703,141	\$687,276	\$687,276

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STATE ECONOMIC DEVELOPMENT INITIATIVES FUND  
FY 1990

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Year End Totals
<b>AVAILABLE RESOURCES</b>													
Carry-forward balance.....	\$687,276	\$538,165	\$1,273,436	\$824,333	\$654,080	\$522,314	\$264,239	\$433,570	\$285,639	\$357,511	\$148,218	\$260,685	\$687,276
Lottery Revenues .....	0	954,000	954,000	1,044,000	1,044,000	1,260,000	1,260,000	810,000	990,000	1,044,000	1,080,000	2,160,000	12,600,000
Racing Revenues .....	0	0	0	0	0	0	261,264	510,000	510,000	510,000	510,000	510,000	2,811,264
Interest Income.....	3,632	8,594	5,563	4,414	3,525	1,783	2,926	1,928	2,413	1,000	1,759	4,377	41,914
Subtotal.....	690,908	1,500,759	2,232,999	1,872,747	1,701,605	1,784,097	1,788,429	1,755,498	1,788,052	1,912,511	1,739,977	2,935,062	16,140,454
<b>TRANSFERS</b>													
KTEC.....	0	0	493,343	493,343	493,343	493,343	493,343	493,343	493,343	493,343	493,343	986,687	5,426,778
Kansas Arts Commission.....	0	0	0	30,000	0	0	35,000	0	0	35,000	0	0	100,000
Agriculture .....	0	0	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	180,000
Kan Work (SRS) .....	0	0	0	0	0	0	0	50,000	0	0	0	0	50,000
McMasters (Aging).....	0	0	20,000	0	0	0	0	0	0	0	0	0	20,000
Hillsdale State Park .....	0	0	100,000	100,000	100,000	0	0	0	0	500,000	100,000	100,000	1,000,000
Recreation Access .....	102,743	27,323	27,323	27,323	17,948	408,515	258,515	258,515	17,948	17,949	17,949	17,949	1,200,000
Jetmore—Multipurpose....	0	0	200,000	0	0	0	0	0	251,250	0	0	0	451,250
Salt Water Contamination.....	0	0	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
Superfund .....	0	0	0	0	0	50,000	0	0	0	50,000	0	0	100,000
ANTICIPATED TRANSFERS.....	102,743	27,323	1,008,666	818,666	779,291	1,119,858	954,858	969,858	930,541	1,264,292	779,292	1,272,636	10,028,028
<b>EXPENDITURES</b>													
Commerce.....	50,000	1,200,000	400,000	400,000	400,000	400,000	400,000	500,000	500,000	500,000	700,000	1,013,863	5,463,863
EDIF Balance.....	\$538,165	\$1,273,436	\$824,333	\$654,080	\$522,314	\$264,239	\$433,570	\$285,639	\$357,511	\$148,218	\$260,685	\$648,563	\$648,563

APPENDIX E4

12-13  
11/2/89

Economic Development Initiatives Fund  
Fiscal Year 1990 Recommendations

Testimony of Charles R. Warren, President  
Kansas Inc.

House Committee on Economic Development

January 18, 1989

*House Eco Devo Comm.*  
*Attachment 2*  
*1/18/89*

Thank you for this opportunity to testify on the allocation of Economic Development Initiative Funds for Fiscal Year 1990. Today, I would like to provide you a briefing on total funding for economic development over the past five years and for Fiscal Year 1990. I would then like to present the Board of Directors of Kansas Inc. recommendations for the allocation of EDIF funds for FY 1990.

#### **Total Funding for Economic Development**

Since 1985, state funding for the primary economic development agencies (Commerce, KTEC, Kansas Inc.) has increased dramatically from just over \$4 million five years ago to over \$19 million in 1989 and 1990. That is almost a 500 percent increase. When federal and other funds are added, the Governor has recommended total state funding for these economic development agencies of \$19,381,071 for FY90.

I believe that from an overall funding perspective, the State of Kansas is about where we should be in terms of budgeting for economic development. The priorities within those budgets should be debated, but, as a state government, we are investing near the levels we should, particularly at this stage of our development in economic development strategies and programs. The Governor is to be commended for the attention given to overall funding for economic development activities.

I would like to quickly review the Governor's recommended budgets for the Department of Commerce and KTEC.

Department of Commerce: Total budget is \$29,112,196. Significant increase include approximately \$500,000 more for Travel and Tourism, and new funding for a rural assistance center and 7 new positions in the Community Development Division. In FY89, the Governor has recommended an \$800,000 supplemental from SGF for the Kansas Industrial Training program. In addition, the Governor has recommended that the lottery shortfall be made up with SGF dollars for the Partnership Fund.

KTEC: Total budget is \$5,651,469. KTEC is recommended to receive \$224,691; the remainder of their budget is from EDIF. In FY89, KTEC's total budget was \$7.6 million, however that included a carryover amount from FY88 of \$1,694,732.

A significant factor that the Committee should be aware of is that for FY89 and FY90, we are seeing a commitment of both SGF and EDIF funds for important initiatives such as KIT, Centers for Excellence, and the Partnership Fund. In light of this, EDIF recommendations cannot be viewed in isolation from amounts allocated from other funding sources.

#### **EDIF RECOMMENDATIONS**

I would like to make some introductory and background remarks on the processes we followed this year to develop a general set of recommendations on EDIF.

In June, we sent a request to all state agencies asking for their recommendations for proposals from EDIF. By August, a number of proposals were received and presented to the Board of Directors at our August 25 meeting. The Board reviewed staff recommendations again at their November 17 meeting. On January 12, the Board considered the EDIF recommendations again and concurred in the staff recommendations with a couple of exceptions.

The Board of Directors has found it difficult to engage in a budgeting process for EDIF. It has not had the time given the very full agendas of its board meetings to analyze each agency's request. It has also not desired to interfere in the Governor's budget process. Given the fact that funding for economic development comes from a variety of sources: Federal, state, EDIF and other fee funds, it is difficult for the Board and its staff to make judgements without knowledge of the amounts that will be available and will be recommended by the Governor from these other sources.

The Board's recommendations for specific dollar amounts are very general in nature. Kansas Inc. does not advocate a set amount of dollars for each program, but rather provides these numbers as an indication of its priorities for economic development. Specific funding decisions are appropriately made by the Legislature and the Governor.

I would like to now comment individually on the Board's recommendations and compare those to the Governor's, as outlined

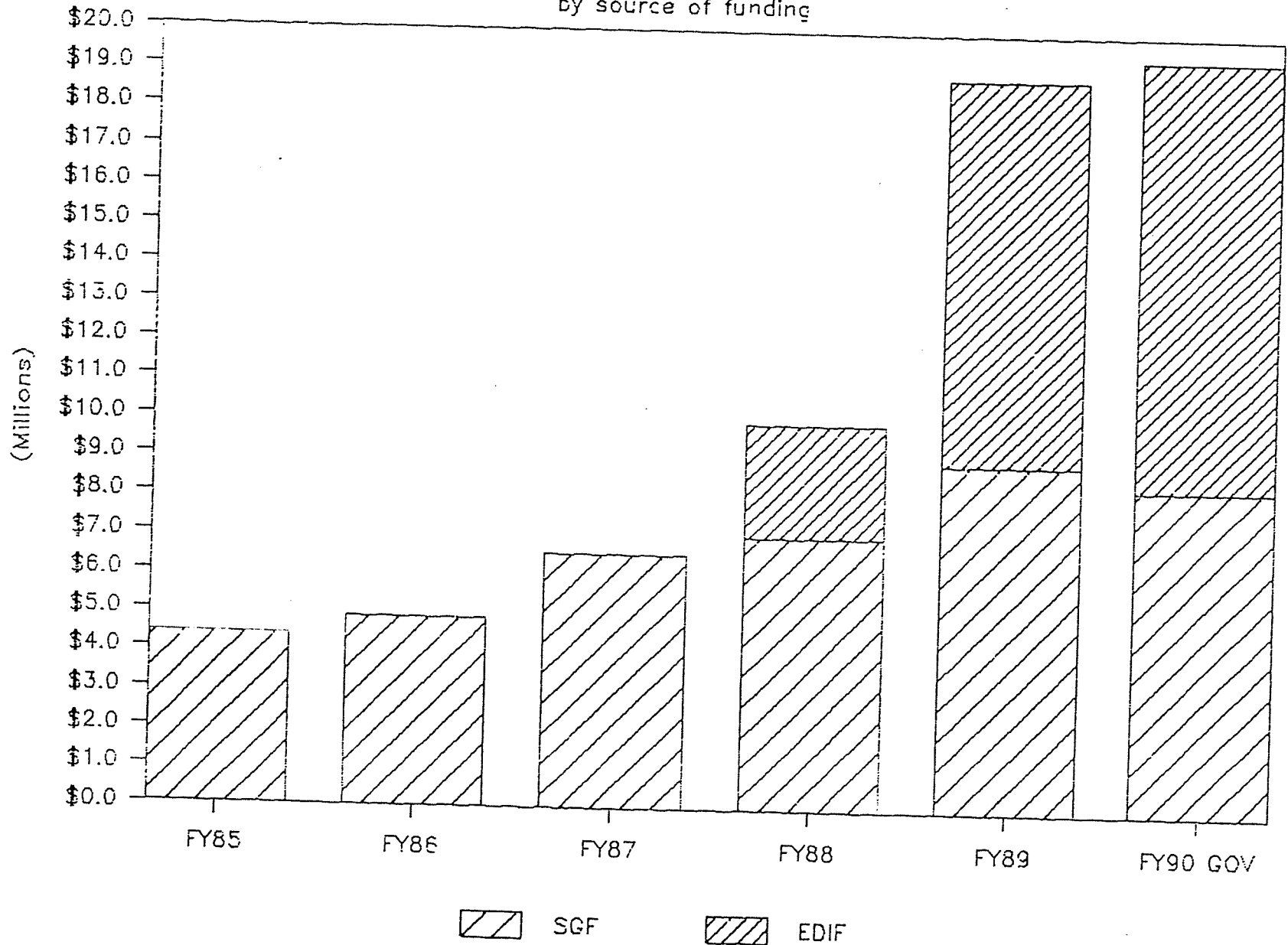
in his FY90 budget. You have been provided a table listing both sets of recommendations.

The Board's recommendations should be considered in context with the policy issue recommendations they made at their last meeting and presented to you in my testimony yesterday afternoon. Specifically, I refer to our recommendations concerning the State Water Plan, the Export Financing Program, Trade Assistance, and the Small Business Loan Fund.

I would like to make the general comment that the Governor's recommendations in the majority are very positive, and as you will see the Board of Directors generally concurs with the suggestions made by the Governor.

# ECONOMIC DEVELOPMENT EXPENDITURES

by source of funding



*Annual Econ Dev Comm.  
Attachment 3 1/18/89*

ECONOMIC DEVELOPMENT EXPENDITURES  
Fiscal Years - 1988 to 1990

Agency/Fund	FY 88	FY 89	FY 90 (Gov.)
Commerce (SGF)	\$5,824,167	\$8,354,891	\$7,804,958
KTEC (SGF)	1,176,013	272,355	224,691
Kansas Inc. (SGF)	291,712	277,239	290,781
<b>Total SGF:</b>	<b>\$7,291,892</b>	<b>\$8,904,485</b>	<b>\$8,320,430</b>
<b>Total EDIF:</b>	<b>\$2,889,526</b>	<b>\$9,944,832</b>	<b>\$11,060,641</b>
<b>TOTAL FUNDING:</b>	<b>\$10,181,418</b>	<b>\$18,849,317</b>	<b>\$19,381,071</b>
Increase from Previous Year:		\$8,667,899	\$531,754



**Governor's Recommendations**  
**Economic Development Funding - Fiscal Year 1990**  
 (by funding source)

Agency	SGF	EDIF	Federal Funds	Other Funds	Total Funding
Department of Commerce	\$7,804,958	\$5,463,863	\$15,309,226	\$534,149	\$29,112,196
KTEC	224,691	5,426,778	0		5,651,469
Kansas Inc.	290,781	0	0		290,781
Board of Agriculture (Marketing Division)		180,000			180,000
Department of Aging		20,000			20,000
Kansas Arts Commission		100,000			100,000
SRS - Kanwork		50,000			50,000
<b>TOTAL:</b>	<b>\$8,320,430</b>	<b>\$11,240,641</b>	<b>\$15,309,226</b>	<b>\$534,149</b>	<b>\$35,404,446</b>

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Commerce Department Funding - FY 1990  
 Governor's Recommendation  
 (by funding source)

Division:	SGF:	Other:	Total:
Administration	\$1,632,876	\$ 89,819	\$ 1,722,695
Existing Industry	1,360,327	205,000	1,565,327
Trade Development	700,340	0	700,340
Industrial Development	2,119,619	1,461,270	3,580,889
Travel and Tourism	1,159,464	708,887	1,868,351
Community Development	<u>832,332</u>	<u>18,842,262</u>	<u>19,674,594</u>
<b>TOTAL:</b>	<b>\$7,804,958</b>	<b>\$21,307,238</b>	<b>\$29,112,196</b>

KTEC Funding - Fiscal Year 1990  
Governor's Recommendations  
(by program)

<u>Program</u>	<u>Total</u>
Seed Capital Fund	\$1,000,000
Research Equipment Grant	700,000
Research Matching Grants	1,250,000
SBIR Matching Grants	300,000
Industrial Liaison Program	150,000
Training Equipment Grants	250,000
Centers of Excellence *	1,375,000
Special Projects	125,000
Operations	<u>501,469</u>
<b>TOTAL:</b>	<b><u>\$5,651,469</u></b>

\* The Governor has recommended that \$300,000 be allocated to the Institute of Aviation Research at Wichita State University.

The Governor has recommended that the Agricultural Value-Added Processing Center located at Kansas State University receive \$175,000 from the Centers of Excellence EDIF allocation.

NEW PRIORITIES FOR BOARD REVIEW  
EDIF - FISCAL YEAR 1990

Strategic Elements	Staff Recommends	Governor Recommends
<b>Entrepreneurial Environment:</b>		
Business Assistance		
Small Business Dev. Ctrs.	\$275,000	\$100,000
Trade Fair Assistance	100,000	0
Tourism	185,000	185,000
Film Services	78,863	78,863
Ag. Domestic Marketing	180,000	180,000
Community Assistance		
Main Street Program	75,000	75,000
<b>Capital Availability:</b>		
Certified Development Corps.	100,000	100,000
<b>Human Capital:</b>		
Kansas Industrial Training*	1,921,250	1,425,000
Kanwork Self-Employment	50,000	50,000
McMasters Program	0	20,000
<b>Infrastructure:</b>		
State Water Plan	4,000,000	4,251,250
Partnership Fund	2,000,000	3,500,000
<b>Technology:</b>		
Seed Capital Fund	1,000,000	1,000,000
Research Equipment Grants	700,000	700,000
Research Matching Grants	1,250,000	1,250,000
SBIR Matching Grants	300,000	300,000
Indus. Liaison Programs	150,000	150,000
Training Equipment Grants	250,000	250,000
Centers of Excellence	1,375,000	1,375,000
Special Projects	125,000	125,000
Operations (KTEC)	276,778	276,778
<b>Quality of Life:</b>		
Kansas Arts Commission	450,000	100,000
<b>TOTAL:</b>		
	\$14,841,891	\$15,491,891
<b>Unallocated</b>		
	\$650,000	0

\* \$1,025,000 from the SGF is recommended by the Governor