

Approved: 3-20-95
Date

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Garry Boston at 1:30 p.m. on March 8, 1995 in Room 313-S of the Capitol.

All members were present except: Representative David Adkins, Absent
Representative Ray Cox, Excused
Representative Clyde Graeber, Excused

Committee staff present: Mary Galligan, Legislative Research Department
Lynne Holt, Legislative Research Department
June Evans, Committee Secretary

Conferees appearing before the committee: Senator Lana Oleen
Byron Fry, BioCore, Inc.
Ken Jenkins, Jenkins Motorsports, Dodge City
Gary Jarmer, Garden City Community College
Peggy Blackman, Marion Chamber of Commerce, Marion
Bruce Laffitte, Metal Cast Products, Salina
Susan Frisbee, E-Z Shops
Gary Toebben, Lawrence Chamber of Commerce, Lawrence
Gary Sherrer, Secretary, KDOC&H
Perry Bemis, Director, Enterprise Place, Wichita

SB 27 - Repeal of statute abolishing the state lottery in 1996.

The Chairperson introduced the Kansas Lottery video "Where Does the Money Go?" which was produced at no cost to the lottery by KSNW-TV 3 in Wichita. The video production offer was included in a bid proposal related to the Cash Lotto drawing contract.

The video aired at no cost to the lottery at 6:30 p.m. November 5 on KSNW-TV 3 in Wichita and again at 5:30 p.m. on December 30 on KSNT-TV 27 in Topeka.

The purpose of the video is to inform interested parties about lottery operations and is used at Kansas Lottery speaking engagements. (See Attachment #1)

The Chairperson stated there were 13 conferees (proponents) today; therefore, would appreciate the testimony be summarized to allow enough time for as many as possible to be able to testify. The opponents have hearings tomorrow.

Senator Lana Oleen, Chairwoman of the Senate Federal and State Affairs Committee, stated hearings were held in the Senate and passed the upper chamber 29-8. The lottery never had passed in the Senate with more than 21 votes. Kansas is the only state that reviews its lottery.

Byron M. Fry, Director of Territory Development, BioCore, Inc., testified in support of **SB 27**, stating the state of Kansas as well as BioCore, Inc. has benefitted from the applied research matching monies and the Ad Astra investment which went into the early research and development phases of the company. The benefits were that three basic applications evolved from this early research and development work. BioCore Inc. got its start with a \$200,000 startup grant from a lottery-financed program administered by the Kansas Technology Enterprise Corp. This corporation started as a family business three years ago with three employees and today employs 60 and it is anticipated growth will easily double this figure in the next year. The founder of the company selected Kansas for his firm because of start-up and research and development money available from KTEC. (See Attachment #2)

Kenneth D. Jenkins, President, Jenkins Motorsports, Inc., testified in support of **SB 27**, stating Jenkins Motorsports received a KTEC grant for \$37,634 for the development of "The High Precision Sprint Car Chassis Design and Fixture" which has proven successful. The grant from KTEC, while covering a fraction of the overall cost, was very instrumental in starting Jenkins Motorsports, Inc. (See Attachment #3)

Gary E. Jarmer, Ph.D., Dean of Technical Instruction, Garden City Community College, testified as a proponent for **SB 27**, stating Western Kansas is clearly being served by lottery generated funds that are used for economic development. Economic development funds, some of which are generated from the lottery, are granted to Western Kansas institutions like Garden City Community College. These "seed" funds are absolutely essential and they help propel our ability to serve people and companies in Western Kansas. It helps add value to Kansas people and Kansas companies. Kansas needs the guidance of Kansas Inc.; and deserves agencies that specifically focus on economic development, and efforts should be supported that fund economic development as a critically important state wide goal. The lottery is a reasonable source for that funding. (See Attachment #4).

Peggy Blackman, President, Prairie People Tourism Association, a not-for-profit organization designed to promote the ethnic, historical and cultural value of its four-county region to area residents and visitors, supported **SB 27**. Matching funds have been found through the Kansas Department of Commerce and Housing, Travel and Tourism Department, which is lottery money. A marketing grant has been received yearly since 1991 except the most recent fiscal year. \$8,259 has provided national advertising, brochure development, newsletter printing and distribution to tour operators and media.

Two options are available - higher property tax or higher sales tax. We as taxpayers will be asked to fill the void if the lottery is not continued. Two-thirds of Kansas voters voted in favor of the lottery and this vote of approval is confirmed over and over each week by the citizens who purchase lottery tickets. (See Attachment #5)

Bruce Laffitte, President, Metlcast Products, Inc., Salina, Kansas, testified in support of **SB 27**, stating a \$30,000 grant his firm received from the state Department of Commerce and Housing in November 1993 has been instrumental in training his employees to meet the quality requirements needed to sell products in the international marketplace.

Mr Laffitte was asked if it would be acceptable if the same funds he received were from a source other than the lottery?

Mr. Laffitte replied, as long as it doesn't come from taxes. We're being taxed to death."

Mr. Laffitte responded to questions that he doesn't think the Kansas Lottery is setting a bad moral example. Nebraska recently adopted a lottery and some 37 states have lotteries. (See Attachment #6)

Susan Frisbee, E-Z convenience shops in Kansas and Missouri, supported **SB 27**, stating a number of E-Z shops survive on the 5 percent commission retailers receive for selling lottery tickets. The lottery players are ordinary working people. The voters voted the lottery in and want it continued.

Gary L. Toebben, President, Lawrence Chamber of Commerce, testified in support of **SB 27**, stating that literally thousands of Kansas companies have been helped to grow and expand with lottery money.

In 1988, Eudora was competing with ten other communities in several other states for the location of a new printing company. The company was UARCO. They liked Eudora, but the city was not able to provide the water pressure they needed. The City of Eudora and Douglas County joined together and applied for a \$750,000 low interest loan from the Kansas Partnership Fund to run the water lines and build a water tower. The low interest loan made the difference. UARCO came to Eudora with a \$12 million investment and 65 jobs paying an average of \$17,000 per year. Today, UARCO is owned by Communicolor, a division of Standard Register. Their investment has grown to \$24 million and they employ 170 people with an average salary of \$30,000.

M-Pact also located in Eudora after the new water tower was completed. They have 110 employees and are negotiating with a company that would build a 100,000 sq. ft. distribution center next to Communicolor and M-Pact. (See Attachment #7)

Gary L. Sherrer, Secretary of Commerce and Housing, testified in support of **SB 27**, stating the lottery funds are critical to the economic future of this state. Without them most of our economic development programs would cease to exist as can't believe in an era of less government and budget restraints the dollars would be found in the General Fund.

In fiscal 1994, more than \$2,500,000 was granted through the KIT/KIR projects. These projects provided more than 6,000 Kansans training for specific jobs. There is a clear, direct and measurable link between the EDIF funds, training and jobs. This investment in human capital is critical to the economic security of this state.

In fiscal 1994, less than \$200,000 in Kansas Trade Show assistance to 77 Kansas companies assisted in obtaining more than \$35,000,000 in sales for those Kansas companies.

Travel and Tourism grants have a significant impact in development important economic activity for Kansas.

You will hear the results of just one of those grants from testimony of the recipients. (See Attachment #8)

Perry Bemis, Enterprise Place, Wichita, Kansas, testified supporting **SB 27**, stating leveraging of limited resources and results in terms of job creation. Enterprise Place has not been a recipient of any EDIF funds, but has seen those funds used to excellent advantage by other organizations and these grants are needed for Kansas business. (See Attachment #9)

The Chairperson stated due to the time hearings would be continued on March 9. The opponents for **SB 27** will have hearings first, then if there is time, will hear from the proponents that were unable to testify today.

The meeting adjourned at 3:15 p.m. The next meeting will be March 9, 1995.

HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE GUEST LIST

DATE: March 8, 1995

NAME	REPRESENTING
Dave Schneider	KANSAS FOR Like At Its Best
Gregg Blackman	Prairie People Association
ESIE FRISBIE-COUMAN	E-2 SHOP, INC
BERTIE JOHNSON	KANSAS LOTTERY
Jane Elliott	Kansas Lottery
Kevin Carr	KTEC
James Rutherford	KTEC
Gary Garrison	Harles City Community College
David Hurt	KVHC
Don C. Carr	Farmer - Rancher
Cheryl Fleming	Leadership Newton
Kris Wiebe Cox	Newton Leadership/Newton
Anna Hesse	Leadership Newton
BOB SMYLY	Leadership Newton
CARL L. HARRIS	Leadership Newton
Laura Ahonta	Potawatami Gaming Commission
Aleg Zernak	Kansas Lottery
Jim Edwards	KCCI
Christy Young	Topeka Chamber of Commerce



Kansas Lottery

Bill Graves
Governor

Gregory P. Ciarnak
Executive Director

Introduction of Kansas Lottery Video

The Kansas Lottery video "Where Does the Money Go?" was produced at no cost to the lottery by KSNW-TV 3 in Wichita. The video production offer was included in a bid proposal related to the Cash Lotto drawing contract.

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The purpose of the video is to inform interested parties about lottery operations and is used at Kansas Lottery speaking engagements.

It is 21 minutes in duration.

BioCore Inc.

1605 SW 41st Street Topeka, KS 66609 USA

March 8, 1995

Members of the House Committee
on Federal and State Affairs

RE: Senate Bill 27

Dear Honorable Committee Members:

BioCore, Inc. is a biomedical company which manufactures and distributes wound management products. Its wound care dressings are used in hospitals, nursing homes and home health care facilities.

The company is a family business which began a little over three years ago with two to three employees. Today, BioCore employs 60 Kansas residents. BioCore's anticipated growth will easily double this figure in the next year.

I can assure the Committee Members that Dr. Jain, President and CEO of BioCore, selected Kansas for the home of this business due to the availability of the KTEC programs.

The State of Kansas as well as BioCore has benefitted from the applied research matching monies and the Ad Astra investment which went into the early research and development phases of the company. The benefits were that three basic applications evolved from this early research and development work. One such application is a medical application which BioCore is currently marketing. In addition, BioCore is also developing products to be used as food additives and in selected environmental applications. These applications promise a future of providing jobs for Kansans.

BioCore's growth is obviously contributing to the tax base of the State and the Committee Members may be interested in knowing that the large part of the revenues come from outside the state.

I can't emphasize enough that the KTEC monies were critical to the growth and development of BioCore during its early stages. I wish to thank the Committee for the opportunity to present my views.

Respectfully,


Byron M. Fry

Director of Territory Development

The *Kollagen*™ Company

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F-5A
3-8-95
Attach #2



2303 W. Frontview • P.O. Box 632 • Dodge City, KS 67801 • (316) 227-2453 • Fax: (316) 227-3470

March 7, 1995

To: Whom it may concern:

The KTEC grant Jenkins Motorsports received for \$37,634.00 for the development of "The High Precision Sprint Car Chassis Design and Fixture" has proven successful in all aspects.


The consistency, precision, and repeatability of our manufactured parts are setting the standards in the industry thanks to our fixturing, which was funded in part by the KTEC grant. Our goal of producing 300 cars per year and supplying interchangeable precision parts is a reality. Our projections for 28 employees working for \$10.00 to \$18.00 per hour will surely be realized in the near future.

We have received national and international recognition for the quality of our products. The ability to change and respond to market demand has taken our company to a new level. While this technology is a step ahead, it by no means is finished. Available "High-End" technology is rapidly advancing in all industries.

KTEC made it possible for us to realize the "dream" of our process and new ideas into the reality of competition. The KTEC funded project was implemented in conjunction with CAD (Computer Aided Design) CAM (Computer Aided Machining) and CNC (Computer Numerical Controlled Machining). This process is complicated and time consuming thus, our grant, while covering a fraction of the overall cost was very instrumental in our final results.

Our market is local, national and as of 1995, international. Because of this funding a new concept was made available to Southwest Kansas and opened the door to exports to Australia which will exceed \$250,000.00 this year. New Technology, new markets, and the importance of advancing technological expertise in Kansas surely shows the importance of the Kansas Technology Enterprise Corporation.

Sincerely,


Kenneth D. Jenkins, President
Jenkins Motorsports Inc.

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3-8-95
Atch #3

Jenkins Motorsports, Inc.

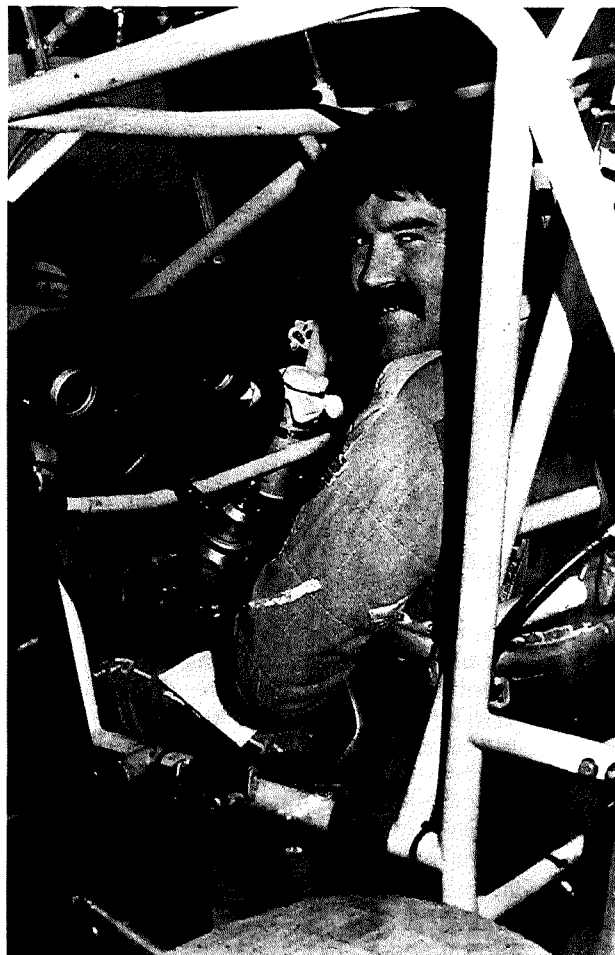
story and photography by Dick Berggren

ON HIS OWN

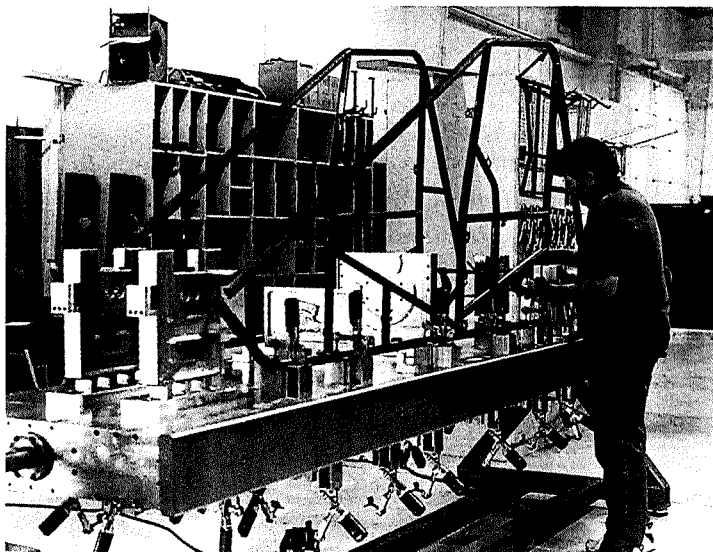


Ken Jenkins stands in his front doorway trying to look like a business executive. It's not working. He still looks like a racer.

Ken Jenkins has worked for Nance, Stanton, Gambler, Challenger and Maxim. He's been the boss and he's worked for the boss. During more than 20 years of building sprint cars for someone else's company, Jenkins has gotten pretty smart. Now, finally, he's got his own chassis company and builds cars with ideas taken from all the rest. Jenkins has some ideas of his own, too.



Garry Lee Maier is to 360 sprint car racing what Steve Kinser is to 410 sprint car racing. Maier drives a Jenkins and is likely the winningest 360 driver in history.

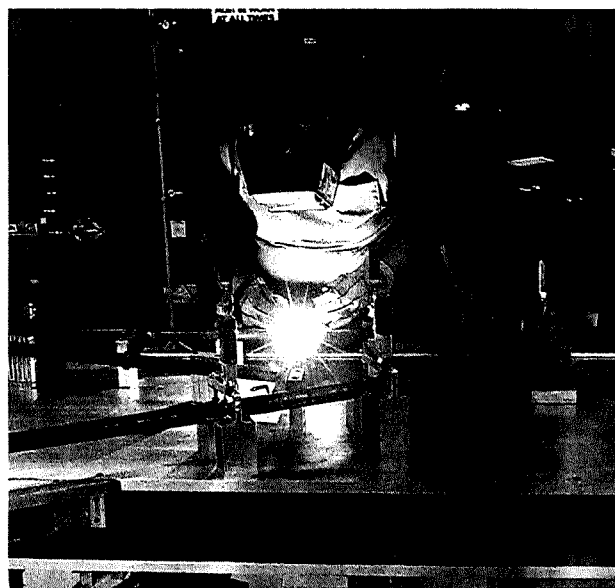


Jenkins had three 14-foot-long jigs built on a 28' mill in St. Louis. Each of the jigs can be used for chassis construction. They are a full six inches thick and are fully fixtured to hold each chassis component precisely in place for welding. According to Jenkins, the first man to fabricate sprint cars using jigs to precisely weld two sides together and to then join them was Floyd Bailey, who was with Gambler at the time. All of the top shops now do it this way and Bailey is on his own building mini-sprints.

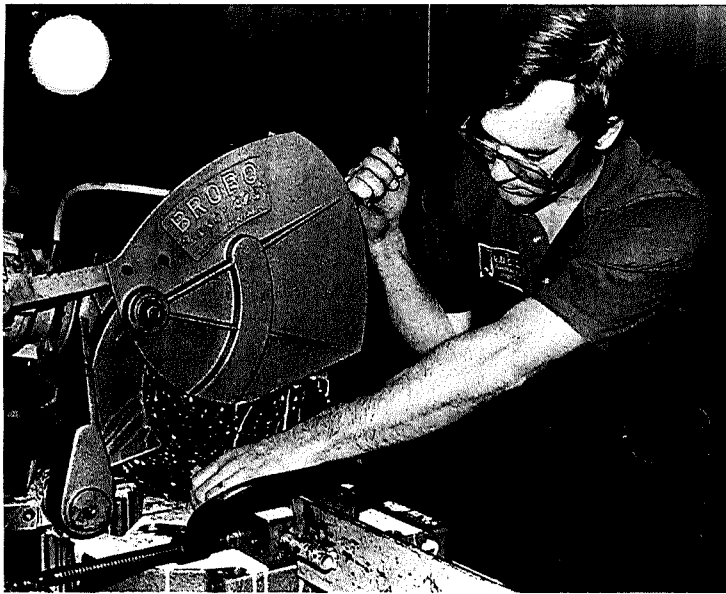
Ken Jenkins has handled the day-to-day operation of some of the best known chassis shops in the country, always with a dream in his heart and hope for the future on his mind. Until now, Jenkins has toiled countless hours for others.

Two years ago, he was standing at a sprint car race beside a Kansas politician. Like most politicians and race car guys, they got talking. The politician was interested in Jenkins' dream of a new state-of-the-art chassis shop with sophisticated machines, high-tech computers and local employment. If Jenkins would consider locating such an operation in Kansas, the politician said, there just might be some grant money to get things rolling. Some loans. Some state-sponsored education for new employees.

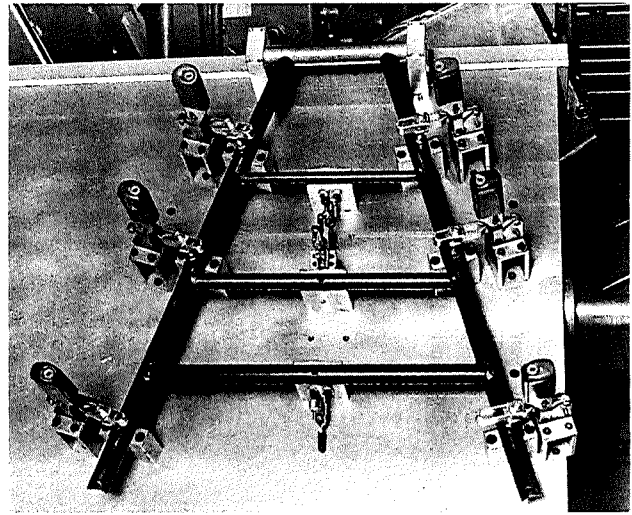
That was the start, the easy part.



Each piece is TIG welded in place by an aircraft certified welder. This is David "Tiny" Tournade doing the welding. He's over 6' 6" tall and weighs almost 300 pounds, so you can see where the name comes from.



Steel is cold-cut by a slow-moving blade that looks much like the one you might see in a woodworking shop. By cutting the metal slowly, much less heat is generated than if it were cut by more typical cut-off abrasive saws. Since heat tends to change the characteristic of the metal that carries it, often turning it toward brittle, Jenkins reasons his method of cutting steel is better.



A basic assumption of every sprint car constructor should be that drivers will tip their cars over. Sometimes, they'll do it at very high speed. So, Jenkins installs this "A" ladder behind the seat of every car he builds to connect the car's halo to its chassis with lots of bracing between. It's an exceptionally difficult weldment to construct, with no fewer than six different angles to cut in order to get each piece to fit closely to its welding partner. Trying to cut and then fit all these pieces precisely without the use of computer-driven equipment and jigs wouldn't be possible.

For months after that conversation, Jenkins dealt with politicians and bankers, investors and hopefuls, as he

searched for the cash to open the doors of his dream. Jenkins found a run-down building in

Dodge City, Kansas, a place 150 miles from nowhere. But the building was cheap and it was in the right state.

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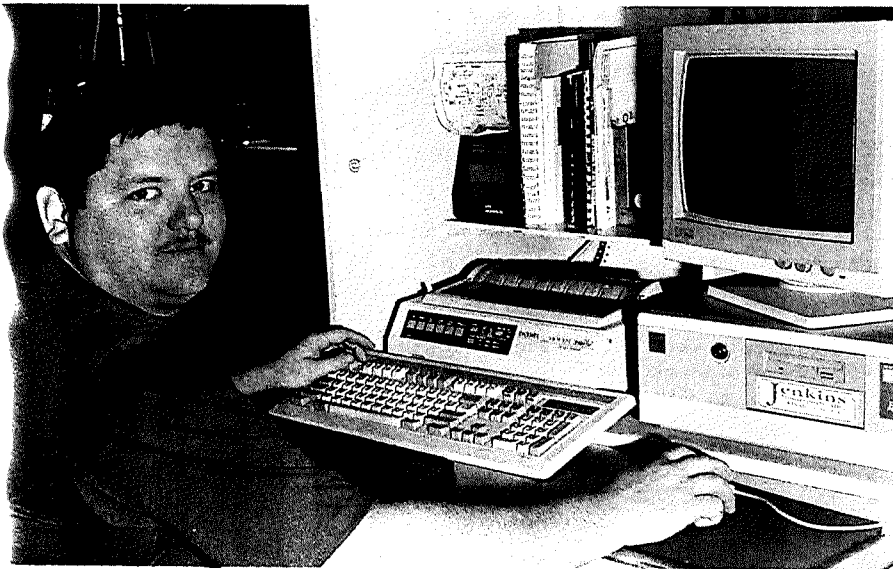
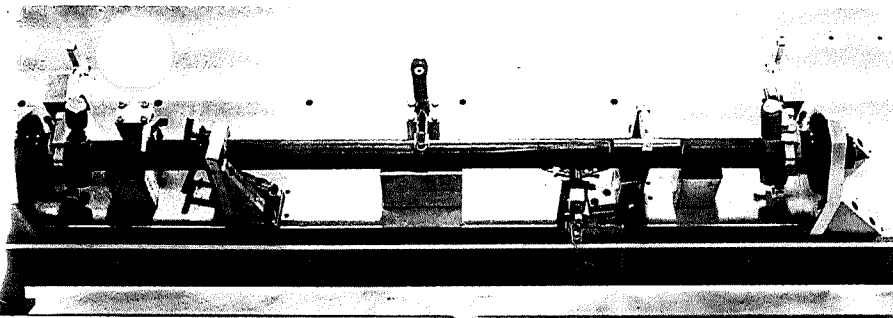
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3-4



Attention to detail is obvious throughout the car. The jig-welded front axles are a good example. The ends are welded in place and then finish reamed for precise caster/camber angles. That's a whole lot better than reaming the kingpin bores first and then welding the ends in place. Maybe you've seen sprint cars whose front wheels don't seem to point in the same direction. Jenkins didn't build their front axles.

The place was not from the pages of *Architectural Digest*, but it had a roof and four walls. That's about all it had. Insulation hung down from the ceiling like a curtain that had met up with Edward Scissorhands. There was virtually no electricity. Pigeons nested inside and dropped, well you can imagine what they dropped on anyone walking below.

From such humble beginnings, Jenkins and his family, including his brother, wife, daughter and son, picked

Brian Lavrentz is the shop's CNC expert. He can program whatever needs to be built, from a new motor plate to perfectly fitting caliper brackets. "He just walked in with his toolbox one day," says Jenkins. "Said he was good. I told him I needed to check his references. He said I'd hire him after I did."

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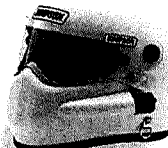
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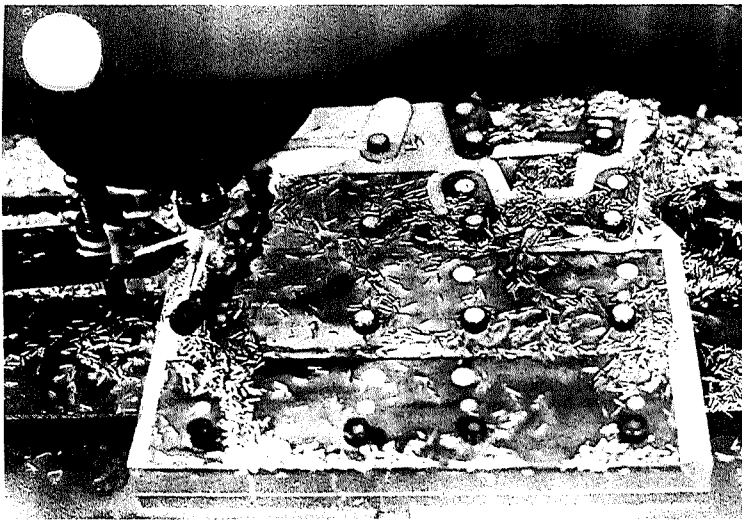
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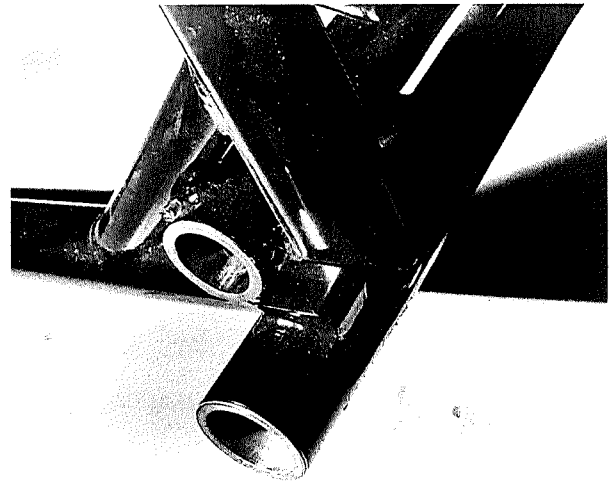
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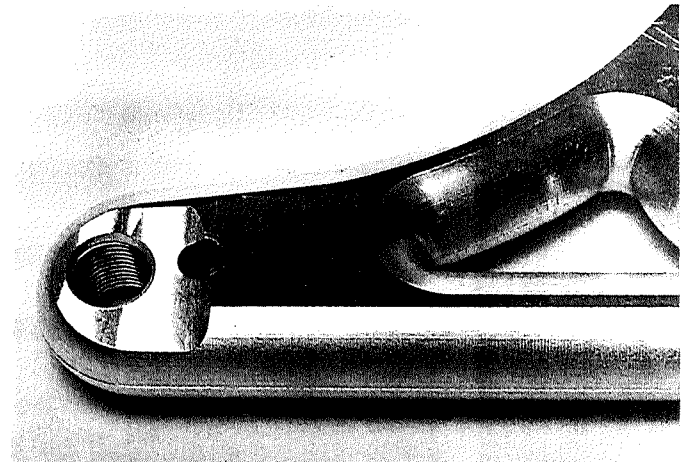
On the morning of *Open Wheel's* visit, computer machine expert Brian Lavrentz decided to improve the brake caliper bracket. He started by designing the tooling on a computer first thing in the morning. Then, the computer ran a machine that made the tooling. Then, by lunch time, with new tooling in place, new and better brackets were being cut on CNC equipment.



Little improvements are everywhere. Torsion stop bolts have a nasty habit of working their way through their plates during hard races. When they do, the car's weight distribution changes markedly and handling goes to pot. Jenkins has designed this new plate that is just the right shape and hardness. "Haven't had one fail yet," says Jenkins with a smile.



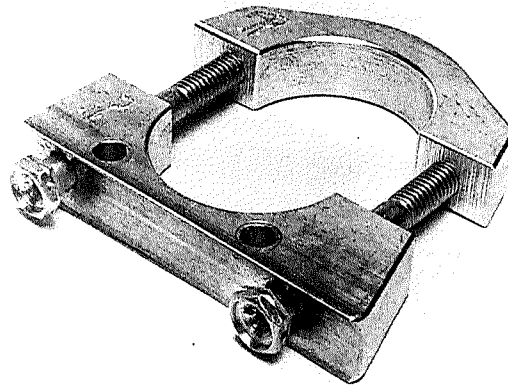
You can go through your bolt box, go to the hardware store, spend a fortune on titanium or buy Jenkins' bolt kit. Each bolt is specifically designed to be just long enough to utilize every thread of its nut but no more. Heads have been cut back and where appropriate, safety wire holes are drilled at the factory. (Mike Adaskaveg)



Here's another good example of Jenkins' attention to detail. Radius cuts have been made at every opportunity. That reduces weight and the potential for breakage. There's an 8-degree machined notch in the end where the rod end is bolted. That 8-degree notch means the rod end will lie perfectly flat when at rest. (Mike Adaskaveg)

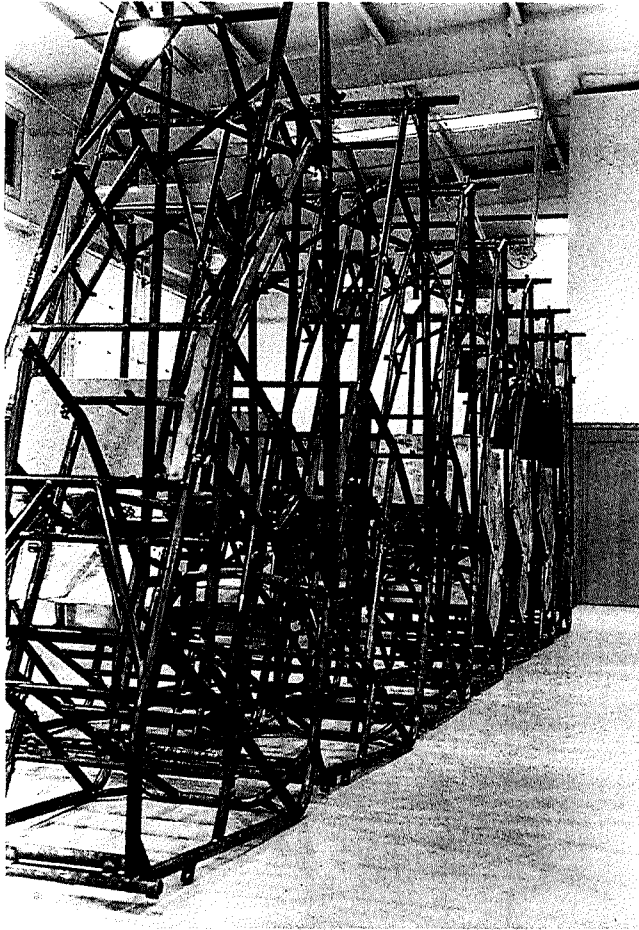
up paint brushes, hammers and sponges and turned what had been an unheated hovel into a sparkling warm showpiece that is now one of the best chassis shops in all of racing. It wasn't easy. Jenkins helped paint the floor. He ripped out rooms in a building next door to get the lumber to build offices. His office, for a time, was a trailer parked inside the building.

Jenkins searched for machinery. Most of what he bought was used. He moved it in, painted and refurbished it. The most important pieces, like new chassis jigs, were custom-built for the purpose. The jigs and welders are state-of-the-art. Everything else was salvaged.



The bracket that holds the steering box in place looks simple enough, but it's not. The frame has a one-degree side-to-side taper and a one and one-half degree taper front to back. "So," says Jenkins, "you've got a lot of compound angles. By blueprinting the brackets, they go in the car straight with the centerline of the steering gear." That means there's no tension against the box other than a straight-on clamp to hold it in place. Oh, yes, the bolts that connect the halves of the bracket have been hollowed out to save weight and they are just long enough to completely capture their nuts. (Mike Adaskaveg)

3-6



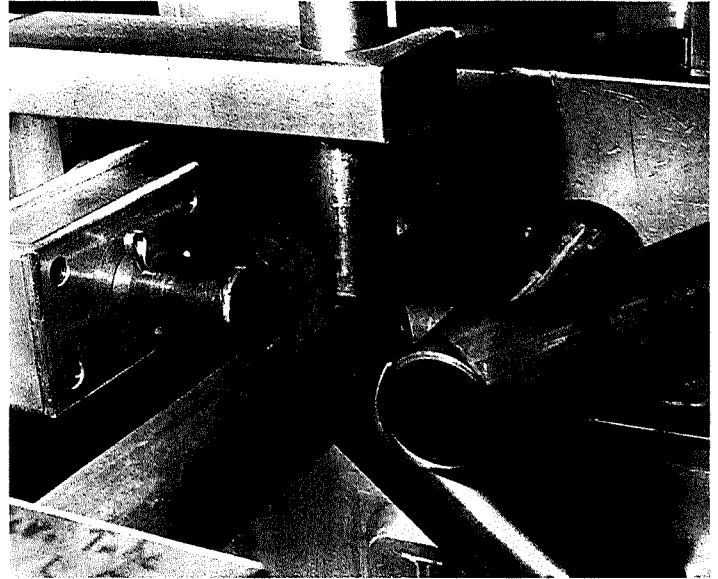
Here's a racer's dream, a whole collection of sprint car chassis all welded up and ready to go out the door.



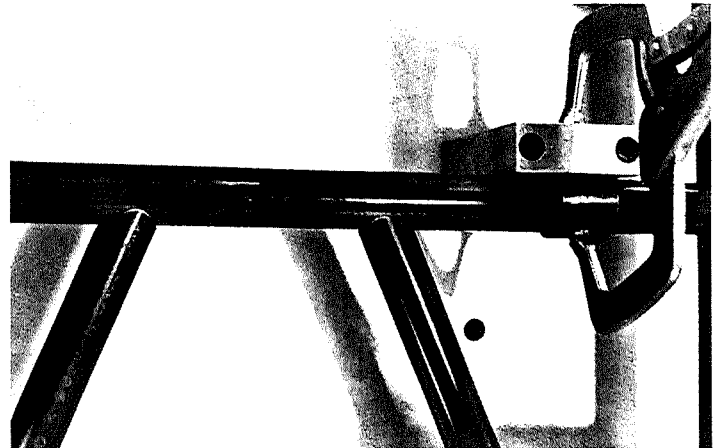
Butt tube. See the white bar that goes just behind the seat? Now, that really could save a guy's butt.

The shop is as nice as any but it's about 150 miles from Wichita, which is at least 200 miles from nowhere. For excitement around here, a new frame rolls out the door or cattle from a nearby farm wanders by. There's not a lot to do in Dodge City other than to concentrate on business.

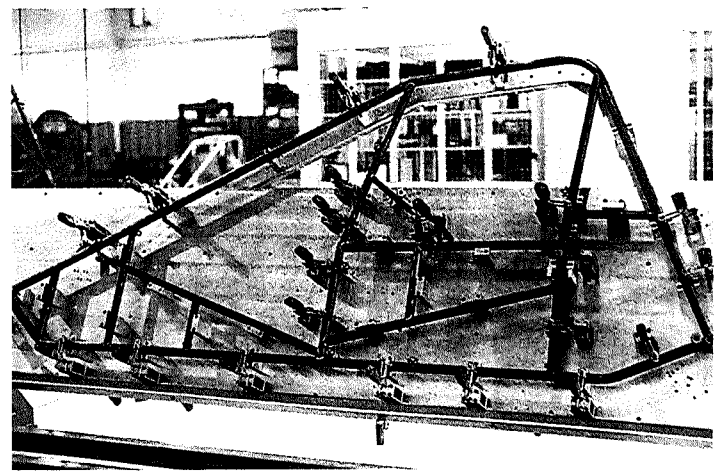
So, with a monastery-like environment, Jenkins' chassis shop seems to have been nicely located. A postcard place this is not. But the Kansas grants to new business and an eager workforce helped open the doors and that is more important.



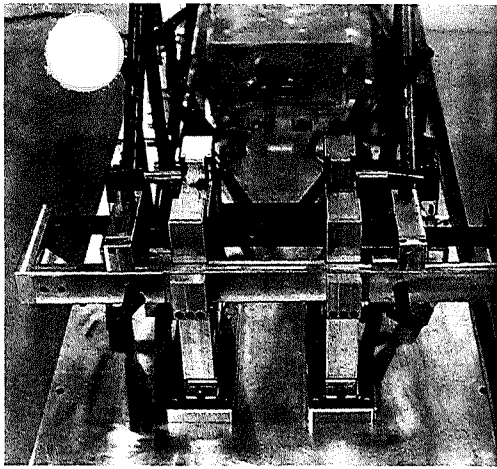
It'd be a whole lot easier to capture the front torsion tubes with one weld and one cut. Jenkins cuts into both the upper and lower longerons in order to completely contain the tube.



Everything fits together so nice. That's what happens when state-of-the-art machines are used in combination with state-of-the-art drawings by computer.



The car is welded together in halves. Note how many clamps are involved and the bracing that's used for the top of the roll cage. It all assures one Jenkins will be just like the next. Unless of course there's a design change.



After both halves have been welded, they are brought together and cross pieces, like torsion tubes, are added. Then, the two sides become one whole car as the cross pieces are welded.

What Jenkins thought at first was the hard part turned out to be the easy part. Starting a chassis shop from scratch is about as easy as carrying a race car around the track for a few laps. On your back.

Putting the building together and getting the machines in was difficult enough. Getting everything to work, especially the computers, was far more difficult than Jenkins ever imagined. He says now that if he had known how hard it would be, he never would have attempted what he has accomplished.

Then, with the machines and computers up and running, the next project was to start building cars. Jenkins certainly knew how to do that, but to draw up all of the hundreds of blueprints that were necessary, to build the fixtures that would assure the consistency he had in mind, well that was another matter.

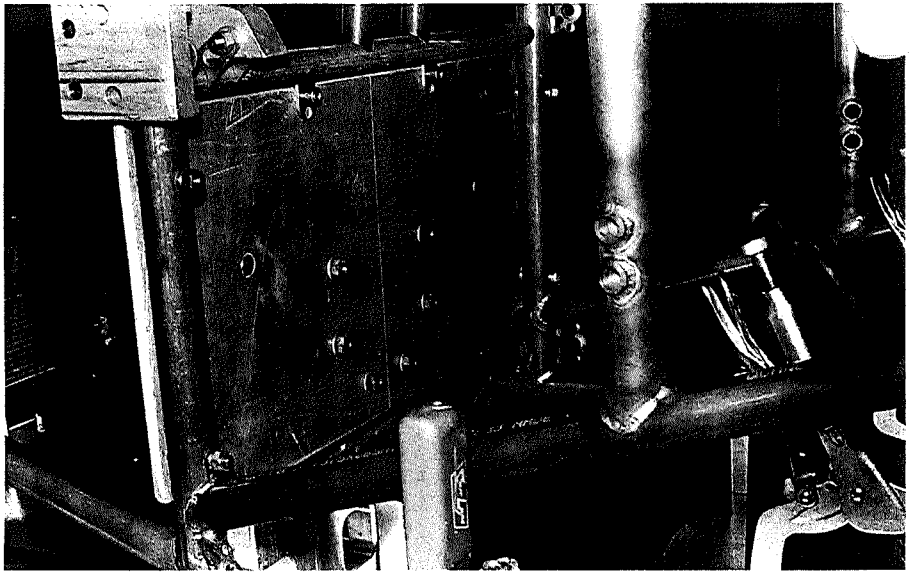
Every piece was drawn out on a computer. There is a perfect blueprint for every spud, every bolt, every bracket, every notch in every frame strut. All of that took time.

And once all of that was done, the staff began to change things.

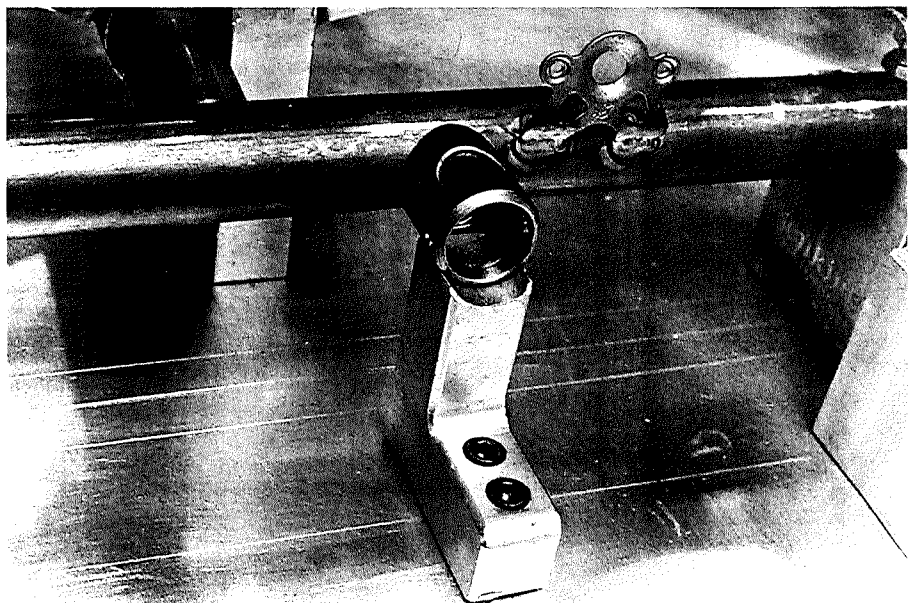
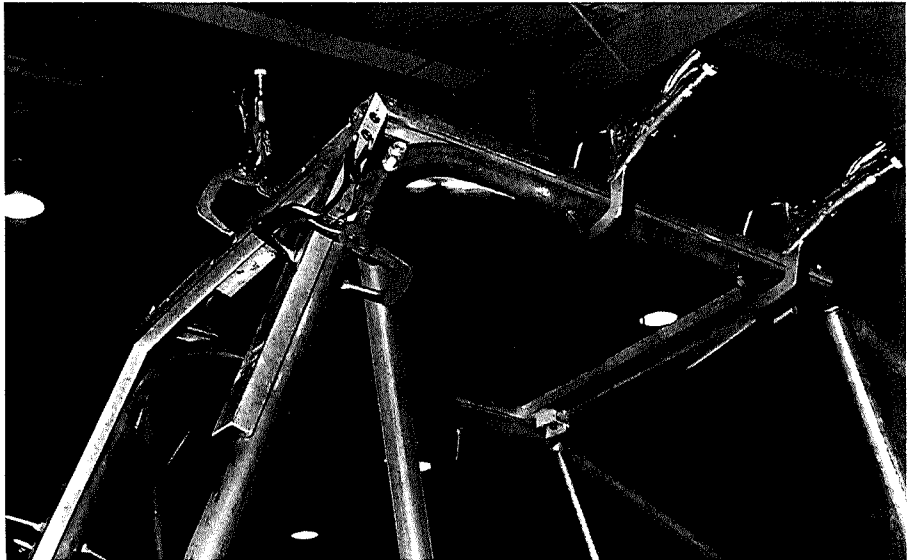
If Jenkins has a problem in life, it is that he's just not content with things as they are. He figures whatever he's building probably can be built better. So, as

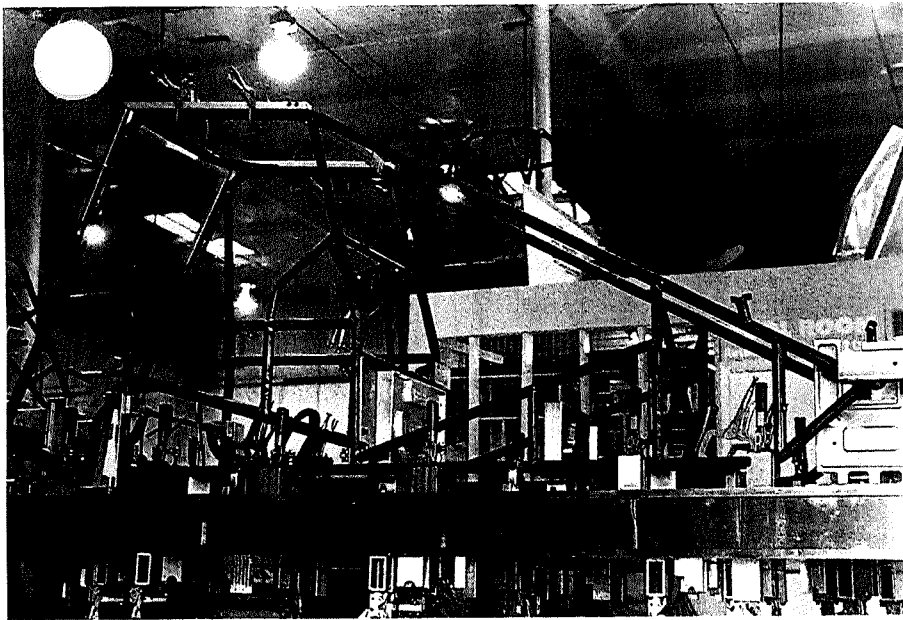
(right center) The top of the cage is welded using this fixture. Notice how the Vise Grips have half-moons welded onto them so they easily hold round tubing.

(right) Nothing is left to chance. Even small tabs and Dzus plates are located by fixtures, not chance.



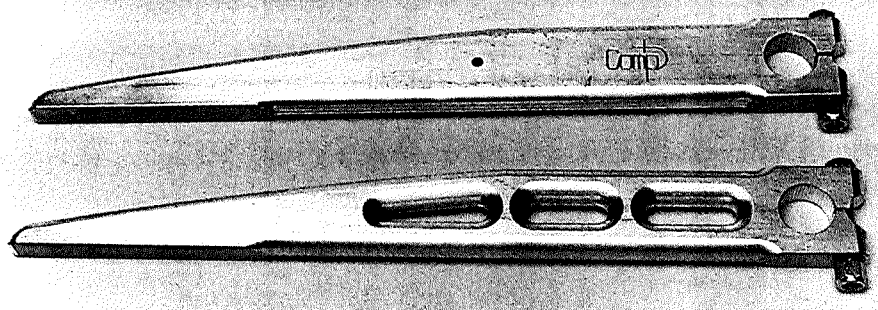
A motor plate is part of the fixture used to marry the right and left sides together. When both halves are welded together, each motor plate drops into place perfectly without the need to force anything.



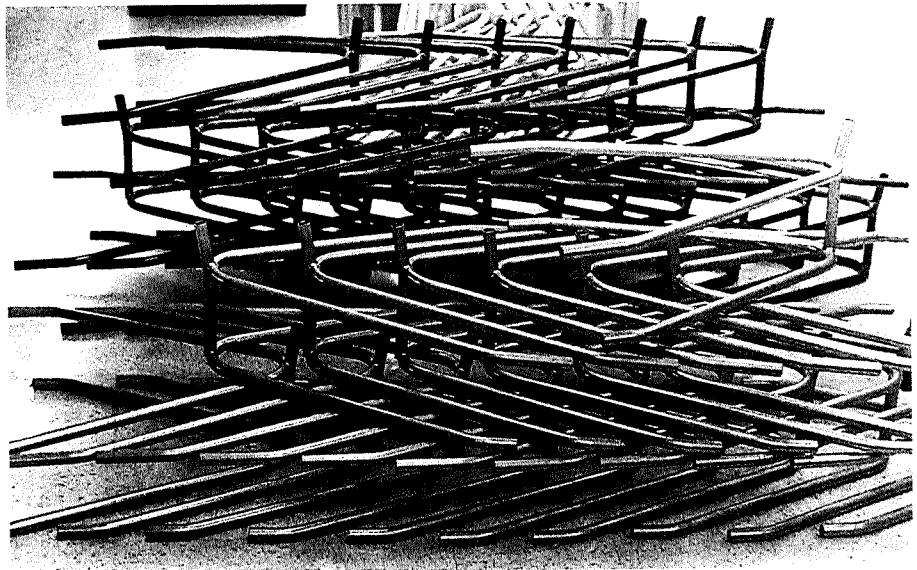


(above) Here's most of a whole car on the jig. Notice how the motor plate is precisely located with a special fixture.

(right) Jenkins has come up with less expensive pieces (above) and more expensive (below) to suit whatever budget. Both of these aluminum torsion arms are the same except you can clearly see that the lower one has more machine work done to it so it's more costly. All the edges are rounded, which makes the arms resistant to breakage. (Mike Adaskaveg)



(lower right) Here's a collection of rear bumpers ready to go out the door. Like everything else at Jenkins, they are jig-welded together using a TIG machine.



soon as he had everything in order, he began to try and make it better.

Working first with driver Johnny Herrera and then more extensively with Sammy Swindell, Jenkins and his brother Ron pored over every piece that went on the car. They pored over the frame weldment. Nothing was presumed beyond improvement.

So, to get the Jacob's ladder they wanted, Swindell and Jenkins drew plans for no fewer than 48 different ladder setups before they settled on one they felt would work best. And if I were you, I wouldn't bet too much that the ladder they settled on will be the one they'll still be producing two years from now.

As he planned his race car, drew its pieces with a computer, built the fixtures to manufacture it, Jenkins attended to the smallest detail. Like this: He learned from Sammy Swindell if a bolt had a shank long enough to go completely through the spuds and bars of a Jacob's ladder with only a few threads on the end for its

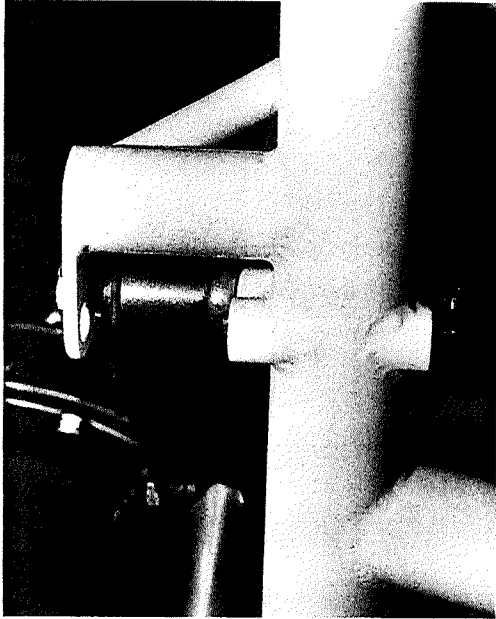
nut, it would be a better piece than if a normal bolt were used and some of the ladder rode on thread rather than shank. Normal shank bolts can be bought. Jenkins machines his special long-shank bolts instead. Their centers have been hollowed out to reduce weight and their shanks are all that ever touch the Jacob's ladder's workings. That's the kind of detail focus in every piece of the car.

Sometimes shops get lost in the details and miss the larger picture, but not here. An extraordinary amount of time and effort has been expended in the direction of driver safety. Jenkins was at Eldora when Brad Doty suffered paralyzing injuries. As a result of that accident, Jenkins' top rear torsion tubes catch two frame rails, not just one, just in case someone should ever take another hit like the hit Doty took. A "butt protector" bar under the seat helps prevent injury from an errant driveshaft or third member. Many other features on the car, some of which you'd never spot unless someone told you about them, are based on Jenkins' past experience and aimed at preventing injury.

This, however, does not suggest that Jenkins' cars are without compromise. He has a special setup for tall drivers

like Tim Green and a unique arrangement for Randy Hannagan, Jenkins' best known abbreviated customer, and others like him.

To date, in less than two years of production, nine different sprint car chassis have been developed, each hopefully a tick better than the one before it. The biggest adjustments Jenkins has made have been to accommodate improved



This photo shows how nicely the Jacob's ladder is attached to the car. Spuds are welded to the chassis and the ladder is captured on both ends using a special bolt.

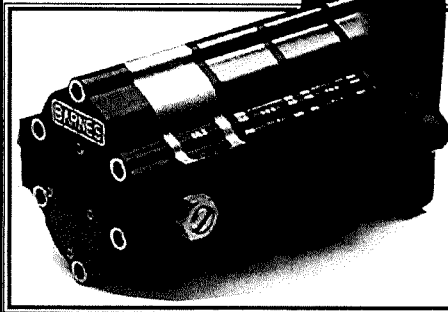
WINNING

Winning races is what it's all about. In March, 1993, the first-ever Jenkins sprint car rolled out of the door at Dodge City, Kansas. Three races later, it took Johnny Herrera to the first WoO A-main victory lane of his career. "It was a big deal," says Jenkins. "It was Johnny's first win. It happened in his car owner's home town."

There have been many victories since. Of the 123 Jenkins cars that have been built, stars like Garry Lee Maier, Sammy Swindell, Tim Green, Ronnie Day, Gary Wright and Randy Hannagan have all driven to victory. So too, many other lesser known drivers have earned the checkered flag.

tires. Today's racing rubber produces significantly better bite than its ancestors, so much so, Jenkins thought the new tires called for a chassis to match. In response, he significantly stiffened the frame and increased the wall thickness of bracing. "The new tires have so much more bite, rather than fight it, we decided to overcome," says Jenkins.

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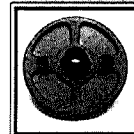
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Sammy Swindell, Don Kreitz, Jr.,
Bobby Allen, Joe Gaerte &
Lealand McSpadden.

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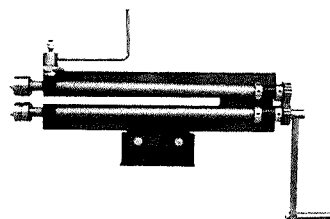
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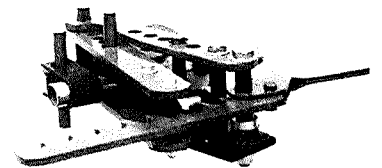


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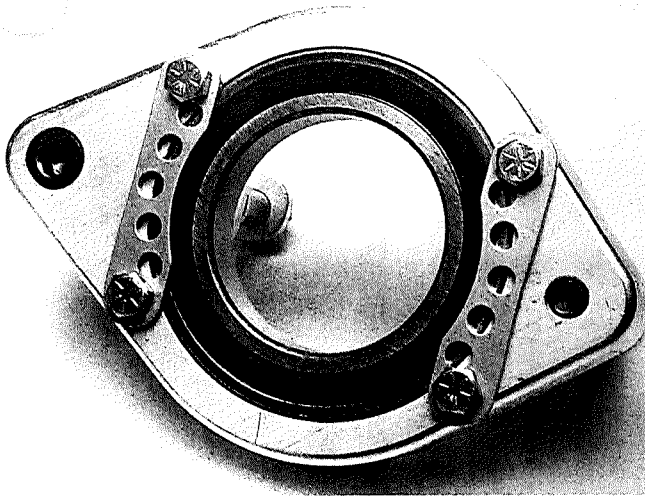


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5-10



(above) Jenkins makes his own bird cages. The back side shows how the bearing is retained. Can you see anyplace where weight can be removed? Is there room for improvement? We didn't find any either. (Mike Adaskaveg)

(right) How far does Ken Jenkins go back in sprint car racing? We shot this photo at the Daytona trade show in 1984 when he was in charge at Gambler. Wonder where she went?

(below) Here's a bird's-eye view of less than half of Jenkins' shop.



Jenkins' goal is to produce 300 cars per year. "If I can do that, I can reduce the price and build better equipment," says Jenkins. He's a long way from that goal now, but he's making progress.

Machinists cut, notch and bend tubing in large quantity. Many of the pieces have spuds inserted on the floor before they arrive at the chassis jig. Each piece is cut, many on CNC equipment, to a blueprinted dimension so it fits perfectly.

There's no hammer or furniture clamp anywhere near the chassis jig. Each component is so precisely made, it fits right in and is ready for welding

without being pushed, shoved, or in any other way coerced to fit where it doesn't want to.

Small clamps hold the pieces together on the jig. Even Dzus plates and nose-wing brackets are fixture-located. When each piece is clamped in place, welding begins.

A welding sequence is performed for each chassis. It's not at all a matter of welding up whatever needs to be welded up in whatever order. "That's where you have a race car and it's real fast. Then you go out and get one just like it and it's not worth a damn. I'd say 90% of consistency is that the frame has got to be welded up in the same sequence,"

CHAMPIONSHIPS WON IN JENKINS CARS

Clay Bontrager

1994 Champion—Wichita, KS

Jon Johnson

1994 Champion—Wakeeney, KS

Gary Wright

*Champion of both ASCS
Speedweeks*

John Hunt

1993 ASCS National Champion

Ivan Warden

Northwest 360 Tour Champion

Garry Lee Maier

*1993 Knoxville 360 Nationals
Champion*

Randy Hannagan

Fast Time—'94 Knoxville Nationals

1993 Champion

San Jose (CA) Speedway

Sammy Swindell

*Winner—Skins Challenge
Slick 50 series*

Jenkins says. "That and making sure all the parts fit right so there's no preload anywhere in the chassis."

The frame is welded together in halves. Once fully welded, right sides and left sides are joined on a jig that

3-11

includes fixtures for front and rear torsion tubes, motor plates and everything else that goes across the car from right to left. Unique is the special framework that accurately locates the top of the cage or halo.


How was it done before jigs and clamps? "Chalk marks on the floor. Nothing was permanent," says Jenkins.

The welding and jig work is so critical, virtually no teams build their own chassis anymore. The most clever operators simply cannot compete with jigs that locate pieces to within a few thousandths. "About 80% of what goes out of here is in kit car form," says Jenkins. In a kit car, the frame is welded together and radius rods, the body, motor plates, hood, tail tank, steering arms, front axle and all the brackets and pieces are included for \$4974. A bare frame goes out the door for \$1695. Paint or powder coating is extra.

Jenkins' frame is set up for an 86" wheelbase. There's 40" between the

motorplate and the center of the rear end. Most of the frame is made of 1-1/2" .095" chrome moly tubing but the bottom rails are made of 1-3/8" .095". With stronger braces and brackets now standard on every Jenkins chassis, the frames weigh 167 pounds complete with all welded tabs and brackets in place.

Jenkins doesn't much like to talk about repair. He'd rather talk about winning races than fixing wrecks. But he's got a healthy repair business going straightening both front

and rear axles, as well as repairing bent frames. "About 80% of the cars that are crashed, we can fix them," says Jenkins. The rest, for safety reasons, he won't repair or so much needs to be done to save the frame that it's cheaper and smarter to replace it. 

SOURCE:

Jenkins Motorsports
2303 W. Frontview
Dodge City, KS 67801
TEL. 316/227-2453 FAX-316/227-3470

JENKINS' RACE WINNERS

- Leo Voigt
- Glen Passmore
- Jon Johnson
- Danny Wood
- Tim Green
- Rod George
- Garry Lee Maier
- Ronnie Day
- Brent Anthill
- Kevin Whitworth
- Bary Bradley
- Jay Cohoon
- Johnny Herrera
- Shane Liebig
- Keith Kauffman
- Ivan Warden
- John Blurton
- James Shoun
- Sammy Swindell
- Clay Bontrager
- Greg Schaefer
- Wayne Johnson
- John Hunt
- Calvin Landis
- Rob Johnson
- Gary Wright
- Larry Neighbors
- Geary Campbell
- Jimmy Carr
- Rusty Bilmore
- Steve Celar
- Randy Hannagan

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- No. 72205 - Chevy, Billet Aluminum, Single Pickup

Ford 351W:

- No. 72202 - Ford, Billet Aluminum, Dual Pickups
- No. 72203 - Ford, Billet Aluminum, Single Pickup

Buick V6:

- No. 72206 - Buick V6, Billet Aluminum

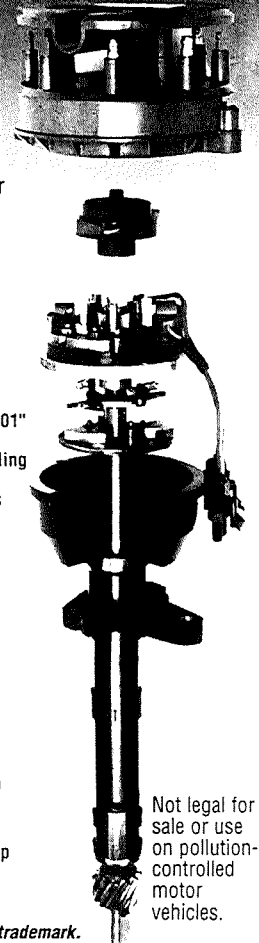
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March 8, 1995

House Committee on Federal and State Affairs

Testimony given 3/8/95

Topeka, Kansas

Gary E. Jarmer Ph.D., Dean of Technical Instruction,
Garden City Community College

TEXT

My testimony today will be brief. I come to you as an educator. Some of you may have heard me say before that I view Garden City Community College as a business. I believe our business is adding value to people. I also believe that our college joins with other efforts as the educational arm of economic development.

Notice this brochure. (Brochure was held up) This is the latest strategic plan (1995-96), of the Finney County Economic Development Corporation. Notice that one of the agenda items is to encourage training opportunities for all employers and employees through GCCC, State and Federal programs. Another is to support school to work transition programs. This agenda parallels the daily challenge I face as Dean of Technical Instruction at Garden City Community College. Perhaps it is important that you know how we face the challenge and how we are able to get the job done.

When you live in Western Kansas, resources can be somewhat limited. Population tends to decline as one travels from east to west. But rural areas also have needs. Because of budget limitations, and that is not all bad, we are sometimes forced to be creative. This means that we must create partnerships to help accomplish what must be done. In other words, we have to have a little help from our friends.

Ladies and Gentleman, I can be no clearer than to state emphatically that economic development funds, some of which are generated from the lottery, are granted to Western Kansas institutions like Garden City Community College. These "seed" funds are absolutely essential and they help propel our ability to serve people and companies in Western Kansas. Companies need our training and retraining services. We help to prepare and retrain a workforce that makes it possible for companies to remain viable and profitable.

F45A
3-8-95
Atch #4

I can also tell you that in 1990, when our college became serious about economic development and workforce education; the Kansas Technology Enterprise Corporation, through the training equipment grant program, and the Kansas State Board of Education, through Perkins funds, gave us our first boost. Those first grants were the emphasis that caused us to match and leverage small grants, with matching industrial support, to the point that we now have over 3 million dollars worth of world class training equipment at GCCC. We cooperate with a number of agencies. In addition to the KSBE and KTEC, we also work closely with the Mid America Manufacturing Technology Corporation (MAMTC), the Western Kansas Technology Corporation (WKTC), and many, many private companies.

Are we serving anyone with the funding we receive? The answer is yes. Since we began to be serious about workforce retraining, 541 employees from 30 companies and governmental agencies, in 11 different Western Kansas counties have been served. (see attached listing)

Also located at Garden City Community College are two MAMTC/WKTC employees. One is an industrial engineer and the other is a marketing specialist. Counting field staff at GCCC, Hays, and Great Bend, 71 companies in 25 western Kansas counties have been served. (see additional attached listing) During 1996 we will begin using a new facility to teach the use and control of ammonia refrigeration. Last year, our educational partnership with the John Deere Company was recognized by the National Advisory Council on Vocational Education to be the best school/industry partnership in the nation. All of this started because of our economic development "seed" money.

I will close with this comment. Western Kansas is clearly being served by lottery generated funds that are used for economic development. We are helping to add value to Kansas people and Kansas companies. Our state needs the guidance of Kansas Inc.; we deserve agencies that specifically focus on economic development, and we should support efforts that fund economic development as a critically important state wide goal. It seems to me that the lottery is a reasonable source for that funding.

541 persons
 COMPANIES SERVED BY GARDEN CITY COMMUNITY COLLEGE
 (PARTIAL LISTING)

- MONFORT, INC — Beef Packing — Finney Co.
 IBP — Beef Packing — Finney Co.
 EURON — Gas Co. — Finney + ~~Scott~~ Co.
 K. N. Energy — Gas Co. — Finney + ~~Other Counties~~ KEARNY + SCOTT Co
 HEYCO — Manufacturing — Finney Co.
 COASTAL (Colorado Interstate) — Gas Co — KEARNY + Other Counties
 INLAND CONTAINER — MANUFACTURING — Finney Co.
 USD 457 — School — Finney Co.
 USD 215 — School — KEARNY Co.
 KANSAS DOT — STATE Hiway — Finney Co.
 MARVID'S FARM EQUIPMENT — ENGINE SERVICE — GRANT Co.
 RCH Implement — TRACTOR DEALER — HAMILTON Co.
 HELENA CHEMICAL — Ag Services — Finney Co.
 KANAMAK HYDRAULICS — Hydraulic Service — Finney Co.
 NACO INDUSTRIES — PLASTIC SPECIALTIES — Fi Co.
 DELTA SUPPLY — PIPELINE SUPPLY SERVICE — Fi Co.
 ACRA PLANT SALES — Ag Manufacturing — Fi Co.
 GARDEN CITY COOP — Ag Sales/Service — Fi Co
 Southwest Ks Experiment St. — Ag Research — Fi Co.
 Sunflower Electric — Power generator — Fi Co.
 Yuasa Exide — BATTERY MANUFACTURER — ELLIS Co (HAYS)
 NATIONAL BEEF PROCESSORS - BEEF PACKING - SEWARD (LIBERA)
 MORTON INTERNATIONAL - SALT PRODUCTION - BEND (HUTCHINSON)
 GREAT BEND INDUSTRIES - HYDRAULIC EQUIPMENT - BAXTON (GREAT BEND)
 DAVIS ELECTRIC - ELECTRICAL CONTRACTOR - GRAY (GIRARD)
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NATIONAL BY PRODUCTS - RENDERING FINNEY -
HELENA
CITY of GARDEN CITY - MAINTENANCE DEPT. FINNEY

MAMTC/Western Kansas Clients by Counties

Barton	19
Clark	1
Ellis	5
Ellsworth	2
Finney	54
Ford	7
Gove	1
Graham	1
Kearney	1
Lane	2
Meade	5
Norton	2
Osborne	1
Pawnee	12
Pratt	2
Rawlins	1
Rice	4
Rush	3
Sherman	1
Smith	1
Stafford	1
Stevens	4
Thomas	1
Trego	1
Wichita	1

133 Total Projects
71 Companies
25 Counties



TESTIMONY
HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE
SENATE BILL 27
CONTINUATION OF THE KANSAS LOTTERY
BY
PEGGY BLACKMAN, PRESIDENT
PRAIRIE PEOPLE TOURISM ASSOCIATION

Prairie People Tourism Association (PPTA) is a not-for-profit organization designed to promote the ethnic, historical and cultural value of its four-county region to area residents and visitors. The efforts of PPTA compliment the work of local economic development and tourism organizations as they strive to increase visitor traffic in the area thereby enhancing the region's economic vitality.

Prairie People was incorporated in 1989. PPTA is under the direction of a 15 member board representing the "Prairie People" communities of Goessel, Halstead, Hesston, Hillsboro, Kechi, Marion, McPherson, Moundridge, Newton, North Newton, Peabody, Sedgwick, and Walton. PPTA is a grass roots organization which seeks the financial resources and in-kind services of its board of directors and membership to carry out its mission.

Please note the size of these communities, Walton, a town of 226, Kechi and Goessel towns of 500, Marion, North Newton, Peabody Moundridge, and Sedgwick, less than 2,000, Halstead,



Hesston, Hillsboro less than 3,000. The two largest communities are McPherson 12,400 and Newton 16,726.

How does this organization work? It works because of a lot of dedicated people giving their time and talents and money, to make it work. Pooling our resources. Looking for matching funds for our aggressive marketing efforts for our region.

Where have the matching funds been found? They have been found through the Kansas Department of Commerce and Housing, Travel and Tourism Department, LOTTERY MONEY. We have received a marketing grant every year since 1991 except the most recent fiscal year. \$8,259 has provided national advertising, brochure development, newsletter printing and distribution to tour operators and media. The last grant received was used in the development of a six (6) minute video. The video is used in local promotion, Kansas promotion and mailed to out of state tour operators. None of these projects would have been possible without grant assistance. Tracking the exact economic impact of these projects is difficult, but we do know that because of the aggressive marketing efforts we have brought in more than 200 tours since 1990. In 1994 we coordinated forty-seven (47) customized tours. Twenty (20) other groups visited the area

5-2



which were not directly coordinated through the PPTA offices. These tours brought an estimated total of 1800 visitors to the region, generating \$54,000 in revenue. The first overnight destination tour was secured, spending two (2) days and one (1) night in the Prairie People Region.

The tourism industry is the second largest industry in the state of Kansas. Statistics show that tourism will be the largest industry in the United States by the year 2000. It would be tragic to set back a growing industry by cutting funding through elimination of the lottery. Look at the success the Kansas Department of Travel and Tourism has achieved through award winning programs such as the Kansas Secrets program with one of the lowest state budgets in the nation. Tracking shows that 35% of the families requesting information from the state actually visited the state in 1994.

For many of you, voting for the lottery is an ethical issue. Discontinuing the lottery will not prevent those who wish to purchase lottery tickets from doing so. They will just take their money out-of-state. You will be sending these much needed funds to other states, giving them the opportunity to utilize lottery funds for their economy, and compete with Kansas for new jobs and industry. How will the state of



Kansas replace these funds? Two options are available, higher property tax or higher sales tax. We as taxpayers will be asked to fill the void. Kansas businesses and industry cannot afford additional property tax. Surely, no one thinks these funds do not need to be replaced, if the lottery is not continued. I would ask you to remember, two-thirds of Kansas voters voted in favor of the lottery. This vote of approval is confirmed over and over each week by the citizens who purchase lottery tickets.

Please help us continue to tell the story of the great state of Kansas. Our visitors from out-of-state go back telling others what they discovered about Kansas, its people, its culture, its heritage and heros and of course the beautiful Kansas sunsets. Please help us continue our grass roots effort. VOTE TO CONTINUE THE LOTTERY.



March 8, 1995

Mr. Chairman, Distinguished Representatives, and Other Special Guests:

I was asked to come here today and testify in support of continuing the Kansas Lottery by the Salina Area Chamber of Commerce. I immediately agreed to do so because of the enormous benefits associated with the lottery. Discontinuance of a program such as our state lottery would be very detrimental to the financial stability of our state government. I personally cannot conceive why anyone would want to discontinue a program such as a lottery when it appears that the majority of people wish to continue the lottery. It also appears that most of the country is in favor of "lottery" type programs for raising revenue instead of cutting beneficial programs or raising taxes. If the lottery is discontinued where does the legislature propose to retrieve replacement revenues? Raising taxes is not the answer, nor is discontinuance of the programs funded with lottery revenues that have become very beneficial to the business industry.

In the private business sector there has been increased awareness and pressures for unity among the Quality Assurance Programs within the United States, as well as the international marketplace. In order to compete in today's marketplace, as well as tomorrow's, we employers must invest time, talent and money into training ourselves and our employees with the skills and techniques necessary in implementing and maintaining a recognized quality system such as the ISO 9000 system. We applied for and received a grant from the Kansas Dept. of Commerce in November of 1993 of \$30,000.00, utilizing funds derived from receipts of the lottery. This grant is currently being used to train new and current employees in procedures and practices required to maintain a quality system. It has been very beneficial in assisting our company in offsetting some of the costs associated with training personnel of this quantity. The individuals available in today's resource pool require more training in the basics associated with employment as well as everyday life. Our educational system isn't producing people with the same basic knowledge of mathematics, reading and discipline skills as it did 20 years ago. By being able to do a better job of training the employees, we have been able to improve our quality and reduce our turnover rate. We have spent a great deal of time, effort and money re-training our front line supervisors, who in turn spend a great deal of time and effort training and re-training their employees to perform more efficiently. To date, we have devoted 1400 hours to training at our facility at a cost of \$40,900.00. \$20,450.00 of that total being funded by our grant with the Department of Commerce.

I sincerely hope that this committee, as well as the legislative body, really looks at the Kansas Lottery's positive effect on our state and its people. The business community is utilizing the funds associated with the Lottery. The Educational system, Agricultural research, Economic development and the tourism industry would be greatly affected by the lost revenues that are currently being received from lottery funds. Upon my review of information associated with the lottery, the only area I foresee making a gain will



be unemployment. This is not a positive gain for the state or its people.

Listen to the people of the state and pass legislation to continue the Lottery and its benefits.

Sincerely,

A handwritten signature in cursive script that reads "Bruce Laffitte".

Bruce Laffitte, President
Metlcast Products, Inc.
Salina, Ks

Testimony by Gary L. Toebben, President
Lawrence Chamber of Commerce
House Federal and State Affairs Committee
Hearing on SB 27 dealing with the Kansas Lottery
March 8, 1995

Thank you Chairman Boston and members of the committee for this opportunity to speak in support of SB 27. My name is Gary Toebben, and I am here today representing chamber of commerce executives and economic development professionals across the state.

I was around in 1985 as the legislature struggled with how to bolster our state's sagging economy. The data was clear. Our economy was not rebuilding itself like the economies in other states. Other states were bouncing back from the recession and we were still in a slump. Frustration filled the air in both chambers as legislators proposed and debated piece-meal solutions. Everyone agreed, we needed a strategic plan for economic development. In 1986, the Kansas legislature created that plan.

But unlike most plans, this one did not sit on the shelf and gather dust. It was implemented because the legislature created a funding mechanism to make it happen. And it worked!

Today, Kansas has a growing economy. We can compete for new businesses nationwide. We provide assistance to our existing companies to help them expand. And, for the first time, we are helping and encouraging small businesses and start up firms.

Literally thousands of Kansas companies have been helped to grow and expand with lottery money. Today, I want to share with you what lottery funds have done for one community, Eudora, Kansas, a town of 3,000 people in Douglas County.

In 1988, Eudora was competing with ten other communities in several other states for the location of a new printing company. The company was UARCO. They liked Eudora, but the city was not able to provide the water pressure they needed.

The City of Eudora and Douglas County joined together and applied for a \$750,000 low interest loan from the Kansas Partnership Fund to run the water lines and build a water tower.

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The low interest loan made the difference. UARCO came to Eudora with a \$12 million investment and 65 jobs paying an average of \$17,000 per year. Today, UARCO is owned by Communicolor, a division of Standard Register. Their investment has grown to \$24 million and they employ 170 people with an average salary of \$30,000.

But the story isn't over yet. The new water tower made it possible for another company, M-Pact, to locate in Eudora. M-Pact has 110 employees. And today, we are negotiating with a company that would build a 100,000 sq. ft. distribution center next to Communicolor and M-Pact.

One \$750,000 low interest loan provided by the Kansas Lottery has created nearly 300 jobs in a town of 3,000 people. And there are stories like this all around the state.

The Kansas Lottery makes the state a real partner with local communities in economic development. Economic development is still a struggle, but without the legislature's action in 1986 and help from the Kansas lottery, every community and county in this state would be lagging behind where they are today and much less competitive in the future.

Our past experience tells us that if you kill the lottery and the funding it has provided to economic development, that void will not be filled.

To kill the Kansas lottery, would be to dismantle our state economic development plan. It would be like waving a white flag in the battle for jobs and business investment in Kansas.

That is what we were doing in 1985.

The State of Kansas cannot afford to unilaterally withdraw its resources from the economic development competition that each of our community's face. Local communities will suffer and so will state revenue coffers.

We need your help for the citizens of Kansas who want better jobs for themselves and their children. This decision will effect the economy of our state for years to come.

We urge you to support SB 27.

Gary L. Sherrer
Secretary of Commerce and Housing
Federal and State Affairs Committee
Kansas House of Representatives

March 8, 1995

Chairman Boston and Members of the Committee. I appear before you in support of continuation of the Kansas Lottery. Lottery funds are critical to the economic future of this state. Without them most of our economic development programs will cease to exist as I can't believe in an era of less government and budget restraints the dollars will be found in the General Fund. In fact, past General Fund responsibility has been moved to the Economic Development Initiative Fund (EDIF), including more than \$6 million dollars of the Kansas Department of Commerce and Housing operating budget.

Let me speak to the impact of the EDIF dollars as allocated to the Department of Commerce and Housing. First, however, let me put the allocation in perspective. If you will review the proposed fiscal 1996 budget, you will note that the Department of Commerce and Housing receives barely one-third of the EDIF money. It is also interesting to note that many feel the funds should be given to education. If you add the EDIF money that is given to the Regent Institutions, the Department of Education and Vocational Technical Schools and various training programs,

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you will find a total nearly equal to the Department of Commerce and Housing allocation. Having put the dollars received into perspective let's review how they are utilized. In fiscal 1994, more than \$2,500,000 was granted through the KIT/KIR projects.

These projects provided more than 6,000 Kansans training for specific jobs. There is a clear, direct and measurable link between the EDIF funds, training and jobs. This investment in human capital is critical to the economic security of this state.

In fiscal 1994, less than \$200,000 in Kansas Trade Show assistance to 77 Kansas companies assisted in obtaining more than \$35,000,000 in sales for those Kansas companies.

Travel and Tourism grants have a significant impact in developing important economic activity for Kansas. You will hear the results of just one of those grants from testimony of the recipients.

The funds of the Kansas Economic Opportunity Initiatives Fund (KEOIF) have created and saved jobs. We know of a company in Central Kansas, with a job base of more than 200, that was saved. A critical element in saving the company was a KEOIF grant. In Kansas City, a KEOIF grant solved a serious infrastructure problem and kept a Kansas company from moving to Missouri. That company has since expanded and created more jobs.

Time is too short to give you the full impact of these grants - but they are a valuable investment that continuing the Lottery will ensure they continue.

One side issue I would like to briefly address is the distribution of the grants and EDIF dollars. Attachment "A" shows the location of the Fiscal 1994 KIT/KIR grants. It clearly refutes any thought of unfair geographical distribution. In the Travel and Tourism Division, 16 of the 18 Marketing Grants and 9 of the 12 Attraction Development Grants were made in counties other than Shawnee, Sedgwick, Wyandotte or Johnson. Of the 77 Trade Show Assistance Grants, over 51 percent have been made in the non-metropolitan counties. Every geographical area of Kansas has shared in EDIF dollars and all of Kansas benefits when any area is strengthened.

Mr. Chairman and Members of the Committee, this issue is critical to the economic security of Kansas. I recently returned from a meeting with others who have economic development responsibility for their states. The war is on! It is clear that economic opportunity and growth are essential to every state and they all are bringing more focus and resources to their efforts. This is not the time for Kansas to retreat. EDIF dollars created by the Lottery provide Kansas the ability to compete with other states. This issue is larger than whether a lottery is good or bad - this issue is whether or not we

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intend to provide critical resources to ensure Kansans jobs and economic opportunity. The Lottery provides those resources and thus clearly justifies its continuance. I urge your support of this legislation.

-1- ATTACHMENT A

FY94 KIT/KIR Projects

Project #	Company	Community	Product	Type*	Dates	Trainees
dr- 94/1	Roto-Mix, Inc.	Holsington	Rotary Feed Mixers	KIT-E	7/93-6/94	40
dr 94/2	Rigid Form, Inc.	Paola	Fiberglass Truck Covers	KIT-E	7/93-6/94	24
dr 94/3	Medplans 2000 Inc.	Ft. Scott	Health Insurance	KIT-N	7/93-6/94	28
dr- 94/4	Jenkins Motorsports	Dodge City	Sprint Car Manufacturing	KIT-E	7/93-6/94	5
nj 94/5	IntelliSell	Crestline/Arma/Girard	Telemarketing	KIT-E	10/93-12/94	270
dr 94/6	Kapco	Iola	Copper Cable	KIT-E	7/93- 9/94	20
dr 94/7	Auto Mate II	Chanute	Air Brakes/Coiled Cables	KIT-E	8/93-10/94	30
dr 94/8	Banners	Emporia	Banners and Garments	KIT-E	7/93-6/94	5
dr- 94/9	REMA Bakeware	Salina	Insulated Bakeware	KIT-E	11/93-10/94	30
dr 94/10	J&S Trailer Sales & Service	Dodge City	Trailers	KIT-N	7/93-7/94	17
nj 94/11	Gunze	Olathe	Plastic Shrink Wrap	KIT-N	10/93-9/94	10
dr 94/12	Sharpline Converting	Wichita	Auto Decals & Pinstriping	KIT-E	7/93-6/94	63
dr 94/13	Treasure Chest Advertising	Lenexa	Printing	KIT-E	9/93-11/94	31
dr 94/14	American Econo-Clad Services	Topeska	Books	KIT-E	9/93-6/94	15
dr- 94/15	Detroit Diesel	Emporia	Diesel Engine Remanufacturing	KIT-E	10/93-4/95	54
dr 94/16	Pioneer Balloon	El Dorado	Latex & Mylar Balloons	KIT-E	9/93-8/94	71
dc- 94/17	Atchison Products	Atchison	Leather Products	KIT-E	7/93-12/94	40
dc- 94/18	Snorkel-Economy	Elwood	Aerial Work Platforms	KIT-E	2/94-7/94	74
dc 94/19	Innovex	Lenexa	Pharmaceutical Research	KIT-E	2/94-9/94	90
dr 94/20	CPI Corporation	Wichita	Food Products	KIT-E	9/93-8/94	22
dr 94/21	Custom Cupboards	Wichita	Wood Cabinetry	KIT-E	12/93-11/94	24
dc 94/22	Disney Direct Marketing Srv.	Overland Park	Catalog Teleservice Center	KIT-E	7/93-6/94	508
dr- 94/23	Star Lumber & Supply Co.	Wichita	Doors & Windows	KIT-E	7/93-6/94	30
dr- 94/24	Midwest-Warner & Pfeleiderer	Topeska	Rubber Compounding Equipment	KIT-E	7/93-6/94	7
dc 94/25	Catalog Holdings	Lawrence	Childrens Clothing Telemktg.	KIT-E	7/93-12/93	40
dc 94/26	Blue Valley Tele-Marketing	Home	Telemarketing	KIT-E	8/93-8/94	35
dc 94/27	MASSCO	Atchison	Mops	KIT-N	10/93-12/94	23
dr 94/28	K-SQ Blowmolding	Winfield	Plastic Blowmolded Products	KIT-E	11/93-6/94	35
dc 94/29	Goodyear	Topeska	Radial & Bias Specialty Tires	KIT-E	10/93-8/94	56
dr- 94/30	Montgomery Elevator	Arkansas City	Elevator Cabs	KIT-E	8/93-11/94	25
dr- 94/31	La Siesta	Topeska	Food Processing	KIT-E	1/94-6/94	26
dr- 94/32	Cintas	Olathe	Business Uniforms	KIT-E	7/93-11/94	30
dr 94/33	Abbott Aluminum	Manhattan	Machined Aluminum Components	KIT-N	1/94-12/94	15
dr 94/34	ITN	Overland Park	Communications Systems	KIT-N	1/94-12/94	52
dr- 94/35	Heyco, Inc.	Garden City	Agricultural Equipment	KIT-E	2/94-1/95	26
dr 94/36	Wells Dairy, Inc.	Edwardsville	Ice Cream Distribution	KIT-N	1/94-12/94	15

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FY94 KIT/KIR Projects

Project #	Company	Community	Product	Type*	Dates	Trainees
dr 94/37	La Petite Academy	Overland Park	Child Care/Corporate HQ	KIT-N	1/94-1/95	85
dr 94/38	Engineered Air	DeSoto	Heating/Aircond. Units	KIT-E	2/94-1/95	25
sj- 94/39	Plastic-Packaging Corp.	Kansas City	Plastic Bags	KIT-E	1/94-3/95	10
dr- 94/40	ABC Rail	Newton	Railroad Products	KIT-E	3/94-2/95	61
dc 94/41	Nar-Mac	Wichita	Plastic Molded Parts	KIT-N	3/94-9/95	36
dr 94/42	Paint Tech	Olathe	Powdered Paint	KIT-E	5/94-10/94	18
dc 94/43	Griffin Wheel	Kansas City	Steel Railroad Wheels	KIT-N	5/94-4/95	103
sj- 94/44	Schult Homes Corp.	Plainville	Prefab Homes	KIT-E	4/94-3/95	35
sj 94/45	Speigel	Wichita	Telecatalog Center	KIT-N	6/94-7/94	75
dc 94/46	Superior Industries	Pittsburg	Aluminum Auto Wheels	KIT-E	6/94-12/94	20
					KIT Subtotals	2,354
sj 94/101	Leonard's Metal	Wichita	Aircraft Parts	KIR	7/93-12/93	27
dr- 94/102	Roto-Mix, Inc.	Dodge City	Rotary Feed Mixers	KIR	7/93-6/94	83
dr 94/103	Preco Industries, Inc.	Lenexa	Die Cutting/Stamping Presses	KIR	7/93-6/94	37
dr 94/104	Key Industries	Ft. Scott	Distribution Center	KIR	7/93-6/94	56
dr- 94/105	Jenkins Motorsports	Dodge City	Sprint Car Manufacturing	KIR	7/93-6/94	5
dr 94/106	Dayco Products, Inc.	Fort Scott	V-Belt Manufacturing	KIR	7/93-6/94	136
dr 94/107	Tramec Corporation	Iola	Air Brake Components	KIR	7/93- 9/94	30
dr 94/108	Curtis Machine Company	Dodge City	Gear Boxes	KIR	8/93-7/94	73
dr 94/109	Ace Forms	Pittsburg	Custom Business Forms	KIR	10/93-12/93	22
bj 94/110	Sealright	DeSoto	Ice Cream Containers	KIR	1/94-8/94	200
sj 94/111	Fleming	Kansas City	Food Processing	KIR	1/94-6/95	420
dr 94/112	Chanute Manufacturing	Chanute	Steam Generators	KIR	8/93-12/93	6
dr- 94/113	Star Lumber & Supply Co.	Wichita	Door & Windows	KIR	7/93-6/94	50
dr 94/114	Chance Industries	Wichita	Carnival Rides	KIR	7/93-6/94	373
dr 94/115	Ottawa Truck Corp.	Ottawa	Specialty Trucks	KIR	7/93-6/95	200
dr 94/116	Marley Pump Co	Lenexa	Water Well Pumps	KIR	7/93-6/94	70
dr 94/117	Columbian Steel Tank Co.	Kansas City	Steel Storage Tanks	KIR	9/93-8/94	37
dr 94/118	Evcon Industries, Inc.	Wichita	Heating/Airconditioning Eq.	KIR	7/93-6/94	81
dr 94/119	High Plains Publishers	Dodge City	Regional Ag. Publications	KIR	8/93-9/94	30
dr 94/120	Allied Signal Gen. Aviation	Olathe	Aircraft Electronics Systems	KIR	1/94-12/94	100
dr 94/121	Frito-Lay	Topeka	Snack Foods	KIR	8/93-7/94	60
dr 94/122	Commercial Aircraft Products	Wichita	General Aviation Products	KIR	9/93-8/94	10
dr- 94/123	REMA Bakeware	Salina	Insulated Bakeware	KIR	11/93-10/94	129
dr- 94/124	Detroit Diesel	Emporia	Diesel Engine Remanufacturing	KIR	10/93-4/95	12

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FY94 KIT/KIR Projects

Project #	Company	Community	Product	Type*	Dates	Trainees
dr 94/125	Universal Lubricants	Wichita	Lubricants	KIR	1/94-4/94	10
dr 94/126	CAC Mold Corporation	Wichita	Plastic Injection Molds	KIR	12/93-1/95	9
dr- 94/127	Midwest-Warner & Pfleiderer	Topeka	Rubber Compounding Equipment	KIR	7/93-6/94	41
dr 94/128	Graphic Technology, Inc.	Industrial Airport	Label Products/Systems	KIR	9/93-10/94	198
dr 94/129	Metlcast Products, Inc.	Salina	Iron Castings/Machined Parts	KIR	11/93-10/94	45
dc- 94/130	Montgomery Elevator	Arkansas City	Elevator Cabs	KIR	8/93-11/94	80
dc- 94/131	Atchison Products	Atchison	Leather Tool Belts & Bags	KIR	7/93-12/94	45
dr 94/132	Air Products and Chemicals	Wichita	Chemical Intermediates	KIR	10/93-11/94	65
dr 94/133	Straightline	Newton	Earth Boring Tools	KIR	1/94-7/94	60
dr- 94/134	Cintas	Olathe	Business Uniforms	KIR	7/93-11/94	42
dr- 94/135	La Biesta	Topeka	Food Processing	KIR	1/94-6/94	7
sj 94/136	Yuasa-Exide	Hays	Batteries	KIR	5/94-6/95	61
dr 94/137	McCormick-Armstrong	Wichita	Printing	KIR	2/94-1/95	52
dr- 94/138	Heyco, Inc.	Garden City	Agricultural Equipment	KIR	2/94-1/95	78
sj- 94/139	Schult Homes Corp.	Plainville	Prefab Homes	KIR	4/94-3/95	107
dc- 94/140	Snorkel-Economy	Elwood	Aerial Work Platforms	KIR	2/94-7/94	426
sj- 94/141	Plastic-Packaging Corp.	Kansas City	Powdered Paint	KIR	1/94-3/95	76
dr- 94/142	ABC Rail	Newton	Railroad Products	KIR	3/94-2/95	40
					KIR Subtotals	<u>3,689</u>
					KIT/KIR Totals	6,043

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House Federal and State Affairs Committee

March 8, 1995

Outline of Testimony

Perry Bemis, Director
Enterprise Place
1330 E. First
Wichita, Kansas 67214
Phone 316-262-1125
Fax 316-262-4783

My topic is **leverage and results**. Leveraging of limited resources and results in terms of job creation.

For the last 6 years I have been director of Enterprise Place, a business assistance center. Believe me, I know the challenge maximizing results with limited resources.

Before going any further, let me say that Enterprise Place has not -- repeat has not been the recipient of any EDIF funds. But I have seen those funds used to excellent advantage by other organizations.

Here are just five minutes worth of examples.

Kansas Manufacturers Association (KMA)

A consortium of 18 companies with 500 employees seeking projects on a collective basis that are beyond the capacity of individual members.

Leverage

State Grant	\$250,000
Federal TRP Grant	\$1,000,000
Member Matches	\$750,000
Total	\$1,750,000

7 to 1 Leverage

Results

Increased competitiveness in the world economy

Recent Example - \$1.7 million Swedish order, 15 new jobs

Development of proprietary products for export from Kansas

Stronger management through training

Better use of communications and manufacturing technology

Note

The support of KTEC and MAMTC during the formation of KMA was critical.

SBA Micro Loan Program

South Central Kansas Economic Development District manages this SBA program for small borrowers.

Leverage

State Grant	\$72,000
SBA Loan to SCKEDD	\$750,000
Wichita Area Development	\$40,000
Total	\$790,000

11 to 1 Leverage

Results

\$750,000 in loan funds + administrative costs from SBA

Loans To date \$586,000
75 companies - Avg. \$7,800

Small business expansions
New business starts
Small companies and self-employed

Enterprise Place - Wichita Technology Corporation

Enterprise Place provides business assistance to the general business community. WTC concentrates on commercialization of technology. The organizations pool resources with common clients.

Leverage

Annual Budget

WTC funded by KTEC \$250,000

Enterprise Place funded by WI/SE \$200,000

Total \$450,000

.8 to 1

Results

WTC is a valuable addition to Wichita infrastructure
Focus on advanced technology
Brings deal making experience

Combined

Intensive hands on support for high growth companies - 100
Professional assistance for persons considering a new business -
450

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Wichita Holdings, Inc.

A pre-seed capital fund for advanced technology firms with rapid growth potential.

Leverage

KTEC	\$250,000
Wichita Area Development	\$250,000
Total	\$500,000

1 to 1 Leverage

Results

Pre-seed capital is now available for advanced technology firms.

This fund fills the missing link for early stage companies.

There is no other funding source in the area

Either the company is not started or it is started out of state

I don't pretend to know what is right or wrong about the lottery -- but I do know what is right about the EDIF funds used in the Wichita area. They are well leveraged, they are well targeted, and they are very effective in job creation.