

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE.

The meeting was called to order by Chairperson Nancey Harrington at 10:30 a.m. on January 24, 2001 in Room 245-N of the Capitol.

All members were present.

Committee staff present: Russell Mills, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Theresa Kiernan, Office of the Revisor
Nikki Kraus, Committee Secretary

Conferees appearing before the committee: Jim Edwards, Kansas Chamber of Commerce and Industry
Carol Wiebe, Hillsboro Economic Development Corporation
Kent Heermann, Regional Development Association of East-Central Kansas
Bernie Koch, Wichita Chamber of Commerce
Jim Dehoff, Kansas AFL-CIO
Kim Wilcox, Executive Director of the Kansas Board of Regents

Others attending: See Attached List

Chairman Harrington opened the meeting for **SB 22 - Extension of the Kansas Lottery until 2007.**

Chairman Harrington stated that bill introductions would be held at the end of the meeting. She went on to say that Mr. Garry Winget, President, Kansans for Life At Its Best, had submitted written testimony opposing the bill, and it was distributed to members. (Attachment 1).

Mr. Jim Edwards, Kansas Chamber of Commerce and Industry, presented his testimony in support of the lottery. (Attachment 2). Mr. Edwards also included and briefly went over a packet of information entitled "History of the Kansas Lottery and The Economic Development Initiatives Fund". (Attachment 3). He then went on to introduce the rest of his group, Kansas Lottery Extension Coalition (KLEC).

Senator Vratil stated that there was discussion in the media that when the lottery was first approved, the lottery money was to go to education and he would like clarification of that.

Mr. Edwards stated that other stated that everything that had been written about the lottery had stated that the money from it would go toward economic development, but that the idea of educational funding had come from the fact that several other states such as California and Missouri had done that.

Ms. Carol Wiebe, Hillsboro Economic Development Corporation, presented her testimony in support of the lottery. (Attachment 4).

Mr. Kent Heermann, Regional Development Association of East-Central Kansas, then presented his testimony in support of the lottery. He provided no written testimony.

Mr. Heermann stated that he would like discuss the lottery, its renewal, and the programs that it funds. He stated that the Department of Commerce and Housing received about 45 per cent of the \$44 million that was spent last year, KTECH about 29 per cent, and the rest went to the Board of Regents for secondary education, state water plant, and other programs. He stated that many of these programs, such as small business development were important for smaller communities. He stated that lottery funds support trade shows and block grant funds. He also stated that these funds play an important role in training workers, and that training helps to give Kansas a competitive edge which draws companies and investment to the

state.

He stated that in recent years, he realized that lottery money was being shifted to general funds, and that it concerned him. He concluded by stating that KTECH had helped his local industry.

Mr. Bernie Koch, Wichita Chamber of Commerce, presented his testimony in support of the lottery. (Attachment 5). Following his testimony, he stated that lottery money had helped to rebuild Norland Plastics Plant and the community around it.

Chairman Harrington stated that the plant was in her district and that the rebuilding had done a great deal, so she appreciated him mentioning that.

Mr. Jim Dehoff, Kansas AFL-CIO presented his testimony in support of the lottery. (Attachment 6).

Mr. Kim Wilcox, Executive Director of the Kansas Board of Regents, presented his testimony in support of the lottery. (Attachment 7).

Chairman Harrington then asked the committee for questions and recognized Senator Lyon.

Senator Lyon stated that he was very supportive of EDIF funds. He stated that he was curious if it would be better or worse if the revenue source for these programs was from somewhere other than the lottery.

Mr. Edwards responded that his coalition was interested in the lottery because the legislature has not shown an interest in expenditures toward economic development.

Senator Lyon stated that he was interested in an analysis of how much money each district generates compared to the amount of money which they received from EDIF..

Mr. Edwards stated that originally, EDIF funds were divided so that a certain per cent went to each district, but that complications led to a different distribution method because of unequal utilization of funds. He stated that if the lottery funds were taken away, there would need to be \$24 million more put toward EDIF funds.

In response to a question from Senator Gooch, Mr. Edwards explained that the Department of Commerce and Housing explained that about \$137 million of the \$402 million that has been generated by the lottery since 1988.

Senator Gooch stated that it seemed that the majority of the good programs which he had heard about had been from the Department of Commerce and Housing.

Mr. Edwards stated that the figure he gave was 43 per cent of EDIF funds, and that it was those funds which made his coalition supportive of the lottery.

Senator Gooch stated that he was concerned about the origin of the lottery dollars themselves and whether or not it would be possible to have economic development without them because many were too poor to support these things, although they were criticized for being on welfare.

Mr. Edwards stated that creating new jobs might be the best benefit which can be given to the poor.

Chairman Harrington asked for additional questions and there were none. She then pointed the committee's attention to a fiscal note from the Division of the Budget and the written testimony from Mr. Garry Winget. She then asked for bill introductions and recognized Senator O'Connor.

Senator O'Connor made a motion to introduce two bills, both dealing with fire arms. Senator Lyon seconded the motion. The motion carried.

Chairman Harrington concluded the meeting by reminding the committee that they would finish up with **SB 22**, hold the confirmation hearing of Ed Van Petten, and hear **SB 32** the following day.

The meeting was adjourned at 11:28 a.m. The next meeting is scheduled for 10:30 a.m. on January 25, 2001.

**SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST**

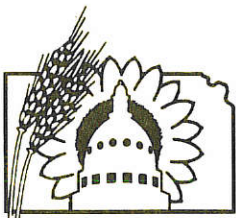
DATE: January 24, 2001

NAME	REPRESENTING
RANDY TONGIOR	POST AUDIT
Cheryl Caldwell	Topeka Chamber of Comm.
Carol Wiebe	Hillshard
Jim Edwards	KCCI
Kent Gorman	Reg. Dev. Assn of East Central KS - Emporia
ED VAN FETTER	KS Lottery
Keith Kocher	"
Jim Giordano	"
DICK CARTER	KBOR
Marsha Strubel	OWA
Roger Treuzio	KGC
Ron Hein	Hein & Weir, Chtd
Jim McHaff	Kansas AFL-CIO
TRACY DIEL	SOA/KRGU
Bernie Koch	Wichita Area Chamber
Kim Wilcox	KBOR
Bob North	SOA
D. KEITH MEYERS	SOA
Rebecca R	Ks Clubs & Assoc.

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: January 24, 2001

NAME	REPRESENTING
Jim Allen	Ruffin Co.
John Reinhart	KCC
Vicki M. Hill	Ruffin Co.
Glenn Thompson	Stand Up For KS.



KANSANS
For LIFE At Its
BEST

Garry Winget
President

TESTIMONY ON RENEWAL OF THE LOTTERY

January 25, 2001

INTRODUCTION: As President of Kansans for Life at Its Best, I offer this testimony as an expert witness on issues relating to poverty, racism, and the poor. For twelve years, I was the Chief Executive Officer of the largest agency in the state that assists the poor. I am recently retired from that position, but am in my present position because gambling, alcohol consumption, and illicit drug use are the prime root causes of poverty. Addictive behaviors always lead to loss of income, family, and everything of value in life if they are allowed to go their full course.

DO THE POOR BUY LOTTERY TICKETS?: The testimony of Mr. Van Patten is seriously flawed in his exhibit Kansas Lottery 1997 Tracking Study. This is a very common flaw among companies that are employed to survey demographics in Kansas. In the Comprehensive Health Assessment Project (CHAP) in Wichita four years ago, there was a large steering committee to oversee the project. The Kansas Health Foundation had given \$100,000 to Wichita State University, the Wichita/Sedgwick County Health Department and the Kansas School of Medicine to do the project. I was on the steering committee to represent poverty issues.

The project was designed to do exactly what the lottery study did--a telephone survey of a statistically accurate number of households. But I raised the issue that in all such telephone surveys, the poor are always under represented. They do not have a telephone! The CHAP committee agreed with my argument. To correct the deficiency, we did a door-to-door sampling, and we did a sampling at sites often visited by poor people. The results dramatically changed the results of the CHAP, and even redirected the future of health care in Wichita. The results continue to be used to shape the development of health care to the most needy.

Lack of having a telephone, language, fear of institutional racism, and resistance to revealing private behavior all played a part in the Kansas lottery study showing such a small percentage of low income participants. A better measure would be to use common sense and look at the locations of the most sales of lottery tickets. The site with the highest sales in Kansas is on South Broadway in Wichita. This is near many low income neighborhoods.

More reliable national studies indicate that people without hope, and perhaps with lower living skills tend to be the players of the lottery. They are also the same people that will waste their money by buying food at an expensive convenience store instead of the supermarket. Is it the State's business if people make poor choices? Yes, if the state is the provider of the product that is a rip-off! Who protects the consumer from the lottery?

NO BARGAIN: It is important to study the Kansas Department of Commerce and Housing report that details the use of lottery revenue. Two concepts in Kansas need closer review. First, we are a state that has an irrational hate of taxes. I recommend that instead of paying \$2,229,015 to advertise the lottery, we use that amount of money to tell the people of Kansas what valuable things they receive by paying their taxes. Services like this excellent legislative body, or the Highway Patrol, or Are you sick of seeing the people pull the palm tree over on themselves?

The second concept to examine is **economic development**. Most of the items in the report are insignificant. They do not seem insignificant to the people getting the grants, but if this money was not spent, the degree of change in our economy would not be measurable. Perhaps we should be spending advertising money in California telling companies that we have plenty of electricity. We seem to have chosen to test out the lottery by designating the income generated on categories of expenditures that would not miss the money if the lottery is discontinued. This then is a tremendous opportunity to remove state sponsored gambling from Kansas.

The individuals that play the lottery (I can not discover how many Kansans play) spend \$193,547,611 in order for the state to have \$57,768,240 to spend on economic development. In the Kansas Trade Show Assistance Program under Sedgwick County, \$811 is listed for Unique Equine Jewelry. I really do not think we need to have a lottery in order to provide appearance accessories for horses. It is not right to pick out one small item for comment, but some things just seem to need a comment.

The real economic development of the lottery may be in the \$29,849,533 that we pay in operating expenses. The production of the lottery is itself a major industry. It is basically the only business that is operated by the State of Kansas. You are the elected owners. I suggest that you have a **going-out-of-business** sale of lottery tickets. The State of Kansas does not need to be in the gambling business. The impact of the revenue received has been diluted by its use concept, and we are a strong enough state that we do not need to rely on sleazy money!

Your Humble Servant,


Garry Winget
President

LEGISLATIVE TESTIMONY



The Unified Voice of Business

835 SW Topeka Blvd. • Topeka, KS 66612-1671 • 785-357-6321 • Fax: 785-357-4732 • E-mail: kcci@kansaschamber.org • www.kansaschamber.org

SB 22

January 24, 2001

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

Senate Federal and State Affairs Committee

by

Jim Edwards
Senior Vice President

Senator Harrington and members of the Committee:

I appear before you today representing the Kansas Chamber of Commerce and Industry and the Kansas Industrial Developers Association (KIDA). I am pleased to have this opportunity to reaffirm KCCI's and KIDA's support for the Kansas Lottery and its continuation. We support wholeheartedly SB 22. KCCI and KIDA were the first groups to endorse a proposal which would create a state owned and operated lottery in Kansas and we have appeared at every sunset review for the Lottery since that time.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 2,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 48% of KCCI's members having less than 25 employees, and 78% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

Senate Fed + State
1-24-01
Attachment 2-1

In 1985, Kansas was being faced with some very big questions dealing with its economic future. At that time, the Kansas Legislature appropriated \$40,000 for a comprehensive study of Kansas. This was subsequently matched by \$40,000 from the private sector and the study began. From this report came a vision. A vision for Kansans and their economic well-being.

There was one small problem though. Every time any of the issues were discussed in this vision statement, most everyone agreed on what needed to be done, they just could not find the money in a tight state budget for it. Also in 1985, Kansas Senator Bill Morris (Wichita) and others started talking about a state-owned and operated lottery in Kansas and had introduced, towards the end of the session, a measure which would provide for such an operation. This issue was not formally addressed in the 1985 session.

The 1986 session started and so once again did the discussion on the vision statement for Kansas as well as that big looming question... "How do we fund it?" That is where the Kansas Chamber of Commerce and Industry, the Kansas Industrial Developers Association, local chambers of commerce, labor and the others got into the act. For many years, these groups saw very little of State General Fund monies going towards projects that they thought were deserving. There was some hope though because the issue of a state-owned and operated lottery was still on the table. In Topeka, these groups, legislative leaders and Governor John Carlin shepherded the issue through the Statehouse where it received approval for submission to the state's voters. These groups then mounted the grassroots efforts to sell the issue to Kansans who ultimately passed it in the 1986 General Election. A vision for Kansas had not only been created but had finally been financed.

Since that time, over \$400 million has been invested in projects that have helped and continue to help address the vision created by this body in 1985. The monies have helped create jobs for Kansans, developed market opportunities for Kansas products, trained and retrained Kansas workers, provided seed capital for high tech operations and assisted many rural communities with tourism and small business opportunities. Lottery has created indirect revenues for the state and local units of government because it has helped create, as well as retain, taxpayers. If the Kansas Lottery is eliminated, you probably are not talking about only a \$60 million dollar loss in revenue. Just as the lottery has helped create and retain taxpayers, elimination of the lottery will most likely mean the exact opposite.

Thank you for the opportunity to visit with you about lottery and I would urge you to pass SB 22 out favorably. I would be pleased to any questions you might have for me.

HISTORY OF THE KANSAS LOTTERY and THE ECONOMIC DEVELOPMENT INITIATIVES FUND

WHERE IT ALL BEGAN

The State Gaming Revenue Fund (SGRF) was created by the Kansas Legislature (HB 2789) in 1986. It was created in order to provide the means necessary to distribute the revenues that would be generated if the Kansas voters approved either or both of the constitutional gaming amendments on the November 1986 General Election ballot. One of the amendments authorized a state-owned and operated lottery while the other permitted pari-mutuel wagering on horse and dog racing. The law created by HB 2789 was provisional in that it would only be used if the voters approved both, or either of the amendments.

The bill (HB 2789) as passed, provided that 60% of the funds in the SGRF would be transferred to a newly created fund, the Economic Development Initiatives Fund (EDIF). Additionally, 30% of the SGRF would be transferred to a County Reappraisal Fund and the remaining 10% to a Juvenile Detention Facilities Fund and Correctional Institutions Building Fund. Since that time the percentages have been changed several times. The latest change was in 1994, when the amount placed in the EDIF was set at 85%, with 15% placed in the Juvenile Detention Facilities Fund.

LEGISLATIVE INTENT FOR USE OF FUNDS

In addition to the actions taken by the 1986 Legislature prior to the passage of the lottery and pari-mutuel wagering amendments, a concurrent resolution was also passed by the 1988 Legislature (HCR 5033) to once again reiterate the fact that the funds generated should be used only for job creation and business expansion.

The resolution stated specifically that *"In the past, Kansas has lacked the resources to compete equally with other states in encouraging the birth, expansion, retention, and recruitment of industries which enhance economic development; but the state economic development initiatives fund offers a unique opportunity to materially improve the state's competitive position with respect to industrial and economic growth."*

ACTUAL EDIF EXPENDITURES

In FY 1988, expenditures were first made from the EDIF. They were used primarily for Kansas Technology Enterprise Corporation (KTEC) related activities and select programs within the Kansas Department of Commerce. At that time, the Legislature's intent for EDIF truly was to fund new and innovative programs and not use it as a replacement for general fund expenditures.

Over the years, the list of beneficiaries has grown and the main purpose has been broadened by the Legislature. In fact, in a recent report released by the Legislative Research Department, 46.7% of EDIF funds in the current fiscal year were "allocated to programs which may be viewed as supporting education." Approximate appropriations from FY 1988 to 1999 are listed below.

KDOCH-----	\$137,396,707
KTEC -----	\$118,420,871
Dept. of Education -----	\$55,305,000
Dept. of Revenue -----	\$20,000,000
Board of Regents -----	\$19,296,494
State Water Plan -----	\$18,000,000
Wildlife and Parks-----	\$6,200,000
Kansas Arts Commission-----	\$5,500,000
Kansas Inc. -----	\$4,776,863
State Library -----	\$3,100,000
KS Social and Rehab Services -----	\$2,500,000
Dept. of Agriculture-----	\$2,300,000
Historical Society-----	\$2,284,034
Dept. of Administration -----	\$1,691,800
Regents Institutions Construction-----	\$1,650,000
KS Development Finance Authority -----	\$990,000
Dept. of Human Resources-----	\$850,000
State Fair-----	\$723,000
School for the Blind-----	\$390,000
Other-----	\$240,000

TOTAL-----approx. \$402,000,000

It is very important as we look to the future that the primary focus of the EDIF be, as the 1988 Legislature said, with programs *"encouraging the birth, expansion, retention, and recruitment of industries which enhance economic development."*

State of Kansas 1986 Lottery Election Results

3-2

64 percent Approval

56% Cheyenne	64% Rawlins	61% Decatur	54% Norton	49% Phillips	44% Smith	48% Jewell	58% Republic	56% Washington	56% Marshall	64% Nemaha	52% Brown	60% Doniphan		
71% Sherman	65% Thomas	62% Sheridan	58% Graham	59% Rooks	49% Osborne	59% Mitchell	56% Cloud	43% Clay	64% Riley	Pottawatomie 66%	61% Jackson	71% Atchison	67% Leavenworth	76% Wyandotte
53% Wallace	54% Logan	48% Gove	61% Trego	75% Ellis	70% Russell	60% Lincoln	52% Ottawa	58% Dickinson	64% Geary	66% Wabaunsee	72% Shawnee	67% Douglas	72% Johnson	75% Miami
59% Greeley	58% Wichita	59% Scott	56% Lane	53% Ness	66% Rush	71% Barton	62% Ellsworth	45% McPherson	66% Saline	63% Morris	60% Osage	55% Franklin	68% Miami	
62% Hamilton	64% Kearny	65% Finney	55% Hodgeman	58% Pawnee	49% Stafford	58% Reno	51% Rice	47% Harvey	66% Ellsworth	38% Marion	57% Chase	60% Lyon	57% Coffey	63% Linn
56% Stanton	59% Grant	46% Haskell	56% Gray	64% Ford	60% Edwards	40% Klowa	55% Pratt	58% Harvey	64% Sedgwick	59% Butler	64% Greenwood	62% Woodson	59% Allen	57% Bourbon
52% Morton	46% Stevens	52% Seward	49% Meade	45% Clark	47% Comanche	55% Barber	51% Harper	54% Kingman	64% Sedgwick	59% Butler	59% Elk	59% Wilson	66% Neosho	76% Crawford
								58% Sumner	60% Cowley	54% Chautauqua	58% Montgomery	61% Labette	64% Cherokee	

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CHAPTER 404

House Concurrent Resolution No. 5033

A CONCURRENT RESOLUTION endorsing the recommendations of Kansas, Inc. with respect to expenditures from the state economic development initiatives fund and urging Legislatures convened in sessions subsequent to the 1988 session to give careful consideration to such recommendations.

WHEREAS, The state gaming revenues fund was created in the state treasury by act of the 1986 session of the Legislature; and

WHEREAS, A statutorily prescribed percentage of the receipts to the state gaming revenues fund is to be transferred to the state economic development initiatives fund; and

WHEREAS, In the past, Kansas has lacked the resources to compete equally with other states in encouraging the birth, expansion, retention, and recruitment of industries which enhance economic development; but the state economic development initiatives fund offers a unique opportunity to materially improve the state's competitive position with respect to industrial and economic growth; and

WHEREAS, In May of 1987, the Governor requested Kansas, Inc. to recommend priorities for the use of gaming revenues for economic development initiatives; and

WHEREAS, The Governor's request was consistent with the legislative mandate to Kansas, Inc. to oversee the formulation of economic development policy and short- and long-range strategic planning for the state in order to enhance the state's economic advantage; and

WHEREAS, In compliance with its legislative mandate and in response to the Governor's request; Kansas, Inc. developed and submitted to the Legislature and the Governor recommendations to insure that gaming revenues allocated to the state economic development initiatives fund are expended for economic development investment programs; and

WHEREAS, The recommendations of Kansas, Inc. are that: (1) Expenditures from the state economic development initiatives fund should not be used for salaries of permanent personnel; (2) the state economic development initiatives fund should not replace the state general fund as a source of financing established economic development programs since the purpose of the economic development initiatives fund is to provide financing for economic development "initiatives" and to enhance economic development in the state; and (3) expenditures from the state economic development initiatives fund should be applied only to those programs and policies which clearly identify with a pillar of the economic development strategy of the state. Now, therefore,

Be it resolved by the House of Representative of the State of Kansas, the Senate concurring therein: That the Legislature, in 1988 session convened hereby strongly endorses the recommendations made by Kansas, Inc. with respect to expenditures from the state economic development initiatives fund and hereby urges Legislatures convened in all sessions subsequent to the 1988 session to give careful consideration to this resolution and to the recommendations of Kansas, Inc. when deliberating upon matters relating to expenditures from the state economic development initiatives fund; and

Be it further it resolved: What the secretary of state is hereby directed to transmit enrolled copies of this resolution to the Speaker of the House of Representatives and the President of the Senate at the commencement of every regular session of the Legislature so long as the state development initiatives fund remains extant in the state treasury.

**KANSAS STATE LOTTERY SALES
SUMMARY REPORT BY COUNTY NAME: FY2000**

County Name	Total *	Retailer Commissions	State's Share **	Number of Retailers
ALLEN COUNTY	\$1,240,769.00	\$72,364.83	\$372,230.70	9
ANDERSON COUNTY	\$473,759.00	\$27,242.58	\$142,127.70	5
ATCHISON COUNTY	\$946,275.00	\$55,492.78	\$283,882.50	12
BARBER COUNTY	\$914,571.00	\$53,288.66	\$274,371.30	9
BARTON COUNTY	\$3,423,763.00	\$202,474.73	\$1,027,128.90	33
BOURBON COUNTY	\$1,182,802.00	\$69,659.09	\$354,840.60	15
BROWN COUNTY	\$416,406.00	\$23,771.37	\$124,921.80	9
BUTLER COUNTY	\$4,418,705.00	\$256,616.48	\$1,325,611.50	40
CHASE COUNTY	\$211,511.00	\$12,391.82	\$63,453.30	2
CHAUTAUQUA COUNTY	\$349,106.00	\$19,949.07	\$104,731.80	3
CHEROKEE COUNTY	\$2,134,319.00	\$124,679.37	\$640,295.70	18
CHEYENNE COUNTY	\$116,316.00	\$6,718.52	\$34,894.80	2
CLARK COUNTY	\$143,303.00	\$8,235.77	\$42,990.90	3
CLAY COUNTY	\$854,158.00	\$50,211.19	\$256,247.40	9
CLOUD COUNTY	\$730,989.00	\$42,539.98	\$219,296.70	12
COFFEY COUNTY	\$479,364.00	\$27,855.33	\$143,809.20	8
COMANCHE COUNTY	\$183,700.00	\$10,713.53	\$55,110.00	3
COWLEY COUNTY	\$4,291,932.00	\$249,126.39	\$1,287,579.60	28
CRAWFORD COUNTY	\$2,683,934.00	\$156,588.45	\$805,180.20	27
DECATUR COUNTY	\$225,933.00	\$13,282.31	\$67,779.90	6
DICKINSON COUNTY	\$1,730,063.00	\$101,418.60	\$519,018.90	19
DONIPHAN COUNTY	\$527,469.00	\$30,725.09	\$158,240.70	5
DOUGLAS COUNTY	\$4,181,691.00	\$239,862.98	\$1,254,507.30	52
EDWARDS COUNTY	\$261,302.00	\$15,143.65	\$78,390.60	2
ELK COUNTY	\$145,490.00	\$8,409.89	\$43,647.00	2
ELLIS COUNTY	\$3,071,874.00	\$181,036.69	\$921,562.20	31
ELLSWORTH COUNTY	\$495,092.00	\$28,841.28	\$148,527.60	8
FINNEY COUNTY	\$2,603,577.00	\$151,436.10	\$781,073.10	33
FORD COUNTY	\$3,102,812.00	\$181,959.67	\$930,843.60	30
FRANKLIN COUNTY	\$1,778,265.00	\$103,362.78	\$533,479.50	16
GEARY COUNTY	\$3,439,385.00	\$199,560.19	\$1,031,815.50	27
GOVE COUNTY	\$109,524.00	\$6,442.07	\$32,857.20	3
GRAHAM COUNTY	\$118,816.00	\$6,985.03	\$35,644.80	2
GRANT COUNTY	\$698,065.00	\$41,150.93	\$209,419.50	6
GRAY COUNTY	\$451,898.00	\$26,771.27	\$135,569.40	5
GREELEY COUNTY	\$103,612.00	\$6,050.04	\$31,083.60	3
GREENWOOD COUNTY	\$742,820.00	\$43,432.10	\$222,846.00	11
HAMILTON COUNTY	\$248,360.00	\$14,356.62	\$74,508.00	5
HARPER COUNTY	\$736,949.00	\$43,126.95	\$221,084.70	8
HARVEY COUNTY	\$1,779,868.00	\$103,535.71	\$533,960.40	18
HASKELL COUNTY	\$302,439.00	\$17,593.72	\$90,731.70	5
HODGEMAN COUNTY	\$95,420.00	\$5,508.28	\$28,626.00	2
JACKSON COUNTY	\$395,583.00	\$22,797.03	\$118,674.90	5

**KANSAS STATE LOTTERY SALES
SUMMARY REPORT BY COUNTY NAME: FY2000**

County Name	Total *	Retailer Commissions	State's Share **	Number of Retailers
JEFFERSON COUNTY	\$566,453.00	\$32,451.33	\$169,935.90	11
JEWELL COUNTY	\$101,528.00	\$5,809.88	\$30,458.40	2
JOHNSON COUNTY	\$19,836,942.00	\$1,122,680.58	\$5,951,082.60	209
KEARNY COUNTY	\$448,821.00	\$26,477.90	\$134,646.30	4
KINGMAN COUNTY	\$548,486.00	\$31,992.34	\$164,545.80	6
KIOWA COUNTY	\$211,209.00	\$12,205.56	\$63,362.70	4
LABETTE COUNTY	\$1,920,220.00	\$110,926.25	\$576,066.00	16
LANE COUNTY	\$103,722.00	\$5,965.24	\$31,116.60	2
LEAVENWORTH COUNTY	\$3,894,871.00	\$224,330.02	\$1,168,461.30	37
LINCOLN COUNTY	\$199,657.00	\$11,642.52	\$59,897.10	2
LINN COUNTY	\$503,620.00	\$28,997.47	\$151,086.00	5
LOGAN COUNTY	\$296,090.00	\$17,322.83	\$88,827.00	4
LYON COUNTY	\$2,718,679.00	\$157,937.99	\$815,603.70	28
MARION COUNTY	\$483,525.00	\$28,039.60	\$145,057.50	6
MARSHALL COUNTY	\$802,289.00	\$46,465.44	\$240,686.70	12
MCPHERSON COUNTY	\$1,867,316.00	\$108,632.59	\$560,194.80	22
MEADE COUNTY	\$557,854.00	\$33,061.33	\$167,356.20	4
MIAMI COUNTY	\$1,620,622.00	\$93,447.58	\$486,186.60	17
MITCHELL COUNTY	\$606,796.00	\$35,466.33	\$182,038.80	8
MONTGOMERY COUNTY	\$6,991,220.00	\$397,661.73	\$2,097,366.00	41
MORRIS COUNTY	\$369,415.00	\$21,395.12	\$110,824.50	6
MORTON COUNTY	\$343,155.00	\$20,103.88	\$102,946.50	4
NEMAHA COUNTY	\$445,393.00	\$25,746.34	\$133,617.90	14
NEOSHO COUNTY	\$1,403,369.00	\$81,591.23	\$421,010.70	14
NESS COUNTY	\$259,671.00	\$15,305.76	\$77,901.30	4
NORTON COUNTY	\$452,363.00	\$26,810.95	\$135,708.90	9
OSAGE COUNTY	\$761,512.00	\$44,053.22	\$228,453.60	10
OSBORNE COUNTY	\$392,604.00	\$23,166.13	\$117,781.20	4
OTTAWA COUNTY	\$430,432.00	\$25,353.50	\$129,129.60	4
PAWNEE COUNTY	\$712,540.00	\$42,068.30	\$213,762.00	7
PHILLIPS COUNTY	\$273,147.00	\$15,663.43	\$81,944.10	4
POTTAWATOMIE COUNTY	\$1,215,495.00	\$71,066.85	\$364,648.50	16
PRATT COUNTY	\$754,025.00	\$44,301.19	\$226,207.50	10
RAWLINS COUNTY	\$86,585.00	\$4,862.41	\$25,975.50	3
RENO COUNTY	\$5,979,917.00	\$350,254.54	\$1,793,975.10	47
REPUBLIC COUNTY	\$242,361.00	\$14,097.39	\$72,708.30	6
RICE COUNTY	\$744,128.00	\$43,260.23	\$223,238.40	9
RILEY COUNTY	\$3,062,741.00	\$177,451.06	\$918,822.30	40
ROOKS COUNTY	\$457,956.00	\$26,954.91	\$137,386.80	5
RUSH COUNTY	\$246,289.00	\$14,485.14	\$73,886.70	4
RUSSELL COUNTY	\$1,038,472.00	\$60,664.56	\$311,541.60	13
SALINE COUNTY	\$4,857,705.00	\$282,927.40	\$1,457,311.50	42
SCOTT COUNTY	\$527,029.00	\$30,995.38	\$158,108.70	7

**KANSAS STATE LOTTERY SALES
SUMMARY REPORT BY COUNTY NAME: FY2000**

County Name	Total *	Retailer Commissions	State's Share **	Number of Retailers
SEDGWICK COUNTY	\$39,939,686.00	\$2,338,573.96	\$11,981,905.80	271
SEWARD COUNTY	\$3,510,203.00	\$208,230.86	\$1,053,060.90	22
SHAWNEE COUNTY	\$12,723,290.00	\$727,757.41	\$3,816,987.00	122
SHERIDAN COUNTY	\$102,572.00	\$5,911.89	\$30,771.60	3
SHERMAN COUNTY	\$1,161,091.00	\$67,145.76	\$348,327.30	12
SMITH COUNTY	\$146,593.00	\$8,465.31	\$43,977.90	4
STAFFORD COUNTY	\$212,042.00	\$12,359.92	\$63,612.60	4
STANTON COUNTY	\$227,571.00	\$13,414.06	\$68,271.30	4
STEVENS COUNTY	\$366,242.00	\$21,323.43	\$109,872.60	4
SUMNER COUNTY	\$2,774,064.00	\$160,110.04	\$832,219.20	18
THOMAS COUNTY	\$727,653.00	\$42,531.38	\$218,295.90	12
TREGO COUNTY	\$601,510.00	\$35,616.02	\$180,453.00	6
WABAUNSEE COUNTY	\$261,296.00	\$15,222.76	\$78,388.80	6
WALLACE COUNTY	\$105,947.00	\$6,157.01	\$31,784.10	2
WASHINGTON COUNTY	\$291,126.00	\$16,723.83	\$87,337.80	13
WICHITA COUNTY	\$181,884.00	\$10,608.48	\$54,565.20	3
WILSON COUNTY	\$633,003.00	\$36,787.14	\$189,900.90	7
WOODSON COUNTY	\$258,657.00	\$14,990.45	\$77,597.10	4
WYANDOTTE COUNTY	\$8,641,801.00	\$490,699.69	\$2,592,540.30	81
State Totals	\$194,744,444.00	\$11,289,431.75	\$58,423,333.20	1871

* Unaudited Sales

** Is not indicative of total transfers to the State of Kansas as this figure represents 30 percent of unaudited sales.

**EDIF Grants and Awards
FY 1994-FY 2000**

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County	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	Total
Allen	\$47,607		\$166			\$654	\$2,838	\$51,265
Anderson	\$167	\$417	\$167	\$30,048	\$12,326		\$5,000	\$48,125
Atchison	\$58,877	\$5,757	\$7,403	\$142,025	\$60,500	\$151,377	\$48,396	\$474,335
Barber	\$17,825	\$474	\$21,200	\$2,224		\$172,270	\$11,420	\$225,413
Barton	\$47,025	\$255,000	\$76,000	\$51,171	\$38,006	\$104,304	\$22,353	\$593,859
Bourbon	\$71,901	\$27,500	\$126,607	\$185,000	\$73,165	\$422,896	\$253,800	\$1,160,869
Brown	\$4,260	\$87,516	\$5,673	\$90,311	\$262,483	\$33,631		\$483,874
Butler	\$45,280	\$2,500	\$100,000	\$263,270	\$49,497	\$41,296	\$10,000	\$511,843
Chase	\$7,575		\$114	\$32,013		\$38,325	\$4,633	\$82,660
Chautauqua	\$5,809		\$15,000		\$2,500		\$42,920	\$66,229
Cherokee	\$40,167	\$51,500	\$167	\$132,236	\$50,000	\$353,061	\$151,224	\$778,355
Cheyenne	\$56	\$23,303		\$4,285	\$1,683	\$65		\$29,392
Clark	\$18,500			\$13,163				\$31,663
Clay		\$794	\$10,000	\$11,645	\$3,800	\$39,905		\$66,144
Cloud				\$10,000	\$26,902	\$1,265	\$22,000	\$60,167
Coffey	\$167	\$417	\$166	\$10,398	\$30,000	\$42,563	\$20,000	\$103,711
Comanche	\$75	\$10,000	\$16,500	\$7,036				\$33,611
Cowley	\$94,660	\$179,198	\$253,500	\$137,548	\$503,570	\$303,929	\$233,994	\$1,706,399
Crawford	\$72,607	\$2,500	\$116,737	\$127,327	\$120,836	\$201,249	\$210,653	\$851,909
Decatur	\$56	\$834	\$29,300	\$181				\$30,371
Dickinson	\$990	\$166	\$172,255	\$43,243	\$38,750	\$155,343	\$356,000	\$766,747
Doniphan	\$43,689	\$367,144	\$95,672	\$17,579	\$107,000	\$251,600		\$882,684
Douglas	\$85,840		\$212,600	\$315,124	\$583,957	\$520,788	\$925,047	\$2,643,356
Edwards	\$25,075			\$1,536	\$75,400	\$1,492	\$15,000	\$118,503
Elk	\$167		\$167					\$334
Ellis	\$101,695	\$202,931	\$370,090	\$2,277	\$39,158	\$94,426	\$149,741	\$960,318
Ellsworth			\$81,079	\$49,350		\$3,976		\$134,405
Finney	\$136,885	\$96,200	\$45,090	\$93,661	\$28,981	\$29,981	\$81,433	\$512,231
Ford	\$199,121	\$281,007	\$120,145	\$62,928	\$282,456	\$96,114	\$213,450	\$1,255,221
Franklin	\$1,800,633	\$124,673	\$85,113	\$119,644	\$22,044	\$8,400	\$407,876	\$2,568,383
Geary	\$25,492	\$204,531	\$345,113	\$225,000	\$250,000		\$150,000	\$1,200,136
Gove	\$56		\$832	\$10,911			\$1,755	\$13,554
Graham	\$57,306	\$72,000	\$39,063	\$79,948	\$88,500	\$52,594	\$42,703	\$432,114

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**EDIF Grants and Awards
FY 1994-FY 2000**

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County	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	Total
Grant				\$659				\$659
Gray				\$2,702				\$2,702
Greeley				\$3,115		\$22,670		\$25,785
Greenwood			\$166		\$9,000	\$9,000		\$18,166
Hamilton		\$2,500				\$40,000		\$42,500
Harper	\$11,505			\$17,572	\$3,500	\$25,512		\$58,089
Harvey	\$109,681	\$42,696	\$94,025		\$142,390		\$187,159	\$575,951
Haskell	\$3,333			\$77				\$3,410
Hodgeman		\$35,296				\$9,175		\$44,471
Jackson	\$24,028	\$25,166	\$5,672	\$10,627	\$15,000	\$131	\$17,400	\$98,024
Jefferson	\$361	\$166	\$8,172	\$84	\$37,976	\$16,633	\$1,500	\$64,892
Jewell					\$6,000			\$6,000
Johnson	\$1,399,069	\$1,515,725	\$1,151,785	\$1,894,485	\$3,438,273	\$2,734,515	\$4,371,972	\$16,505,824
Kearny	\$18,500			\$290				\$18,790
Kingman	\$26,839	\$43,471	\$20,000		\$15,971	\$11,516	\$5,000	\$122,797
Kiowa	\$75		\$9,000	\$294	\$9,000	\$90,205		\$108,574
Labette	\$13,516	\$117,990	\$42,534	\$146,400	\$163,588	\$182,902	\$201,479	\$868,409
Lane		\$14,862		\$164				\$15,026
Leavenworth	\$2,583		\$25,063	\$61,550	\$340,000	\$339,000	\$65,001	\$833,197
Lincoln					\$20,000			\$20,000
Linn	\$22,667	\$15,617	\$1,909	\$41,000	\$55,000	\$10,000		\$146,193
Logan	\$56		\$15,455	\$4,527	\$11,000	\$26,500		\$57,538
Lyon	\$161,385	\$120,648	\$274,373	\$341,466	\$277,449	\$359,306	\$409,778	\$1,944,405
Marion	\$1,683	\$1,258	\$10,000	\$8,097	\$24,670	\$55,070	\$13,895	\$114,673
Marshall	\$278	\$65,166		\$1,884		\$65	\$65,000	\$132,393
McPherson	\$29,515	\$9,915	\$502,500	\$323,468	\$505,824	\$118,080	\$200,602	\$1,689,904
Meade		\$8,927	\$11,050	\$1,146		\$5,431	\$6,928	\$33,482
Miami	\$30,340			\$72,500	\$101,225	\$137,380	\$5,021	\$346,466
Mitchell	\$48,125			\$64,456	\$6,800	\$262	\$45,000	\$164,643
Montgomery	\$3,667	\$809,590	\$610,167	\$316,300	\$104,000	\$146,085	\$809,616	\$2,799,425
Morris	\$2,658	\$1,868	\$24,613	\$6,092	\$17,500	\$45,065	\$8,000	\$105,796
Morton		\$40,000						\$40,000
Nemaha	\$12,482	\$12,675	\$5,672	\$343		\$327	\$15,000	\$46,499

**EDIF Grants and Awards
FY 1994-FY 2000**

3-9

County	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	Total
Neosho	\$54,601	\$72,300	\$89,667		\$38,290	\$185,748	\$18,654	\$459,260
Ness			\$14,750					\$14,750
Norton	\$56		\$59,715	\$162	\$2,500	\$12,400	\$28,972	\$103,805
Osage		\$11,997		\$66,753	\$10,400	\$15,327	\$5,000	\$109,477
Osborne	\$1,103	\$5,255	\$30,000	\$2,621	\$7,000	\$5,524	\$4,000	\$55,503
Ottawa	\$6,700		\$181,500	\$37,121		\$44,100	\$15,000	\$284,421
Pawnee			\$12,300	\$845		\$10,065		\$23,210
Phillips	\$56		\$12,500	\$7,353		\$11,949		\$31,858
Pottawatomie	\$770	\$32,831	\$50,113	\$10,508	\$10,000	\$33,138	\$22,200	\$159,560
Pratt	\$75	\$14,030		\$104,704				\$118,809
Rawlins	\$56			\$4,286				\$4,342
Reno	\$817,200	\$476,000	\$177,118	\$118,530	\$39,707	\$119,252	\$336,502	\$2,084,309
Republic			\$6,000	\$398			\$125,000	\$131,398
Rice	\$9,575		\$204,093	\$8,272	\$60,000	\$18,706	\$41,719	\$342,365
Riley	\$149,034	\$38,940	\$10,000		\$892,345	\$727,701	\$831,007	\$2,649,027
Rooks	\$38,056			\$30,043	\$62,833	\$81,888	\$26,209	\$239,029
Rush	\$12,900	\$1,258		\$3,000		\$3,015		\$20,173
Russell		\$698	\$58,000	\$93,132	\$41,371	\$14,551	\$41,500	\$249,252
Saline	\$92,382	\$72,455	\$265,293	\$138,006	\$62,768	\$71,550	\$327,491	\$1,029,945
Scott	\$25,000			\$125,522	\$1,500		\$48,533	\$200,555
Sedgwick	\$890,491	\$710,176	\$668,015	\$1,082,488	\$1,353,060	\$1,588,486	\$2,148,694	\$8,441,410
Seward	\$2,500	\$35,548		\$609,466	\$4,995	\$50,381		\$702,890
Shawnee	\$236,401	\$939,545	\$282,779	\$732,548	\$602,871	\$598,993	\$350,284	\$3,743,421
Sheridan	\$56	\$13,970		\$540				\$14,566
Sherman	\$56			\$55,179			\$50,000	\$105,235
Smith			\$200,000					\$200,000
Stafford	\$75	\$76,000		\$917			\$15,000	\$91,992
Stanton		\$25,000		\$989				\$25,989
Stevens		\$30,422		\$24	\$1,225	\$1,500		\$33,171
Sumner	\$1,525	\$114,594		\$198,738	\$71,105	\$262		\$386,224
Thomas	\$56	\$698	\$11,000	\$19,117	\$56,259	\$65	\$15,482	\$102,677
Trego	\$56			\$30,200		\$131		\$30,387
Wabaunsee	\$83			\$19,133			\$250	\$19,466

**EDIF Grants and Awards
FY 1994-FY 2000**

County	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	Total
Wallace	\$56			\$6,203				\$6,259
Washington	\$9,778	\$1,666	\$2,750		\$10,000	\$33,000	\$12,000	\$69,194
Wichita		\$17,425		\$9,931		\$44,000	\$11,158	\$82,514
Wilson	\$1,667	\$11,385	\$10,166		\$9,500	\$29,225	\$159,144	\$221,087
Woodson	\$167		\$40,311			\$6,000		\$46,478
Wyandotte	\$373,607	\$716,699	\$491,859	\$809,569	\$445,929	\$5,926,513	\$2,980,860	\$11,745,036
TOTALS	\$7,656,047	\$8,298,790	\$8,036,004	\$9,916,678	\$11,839,338	\$17,139,804	\$17,425,246	\$80,311,907

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01

QUESTION: The Kansas Lottery is scheduled to expire in 2002 unless it is extended by the legislature. Should the legislature extend the Kansas Lottery after 2002?

	YES	NO	NOT SURE
All	62%	28%	10%
Men	64%	27%	9%
Women	60%	29%	11%
Democrats	66%	25%	9%
Republicans	57%	32%	11%
Independents	63%	27%	10%
Congressional District			
1st	61%	29%	10%
2nd	64%	25%	11%
3rd	61%	28%	11%
	62%	30%	8%

QUESTION: As you may know, the proceeds from the Kansas Lottery were originally designated to fund economic development programs and job creation. Which of the following statements comes closest to your point of view on where the proceeds from the lottery should go?

1. Proceeds from the lottery should be designated towards economic development and job creation, or
2. Proceeds from the lottery should be diverted to other state needs.
3. Not sure

	EcDev	Other	Not Sure
All	51%	34%	15%
Men	54%	32%	14%
Women	48%	36%	16%
Democrats	36%	52%	12%
Republicans	67%	19%	14%
Independents	50%	31%	19%
Congressional District			
1st	53%	31%	16%
2nd	48%	37%	15%
3rd	50%	34%	16%
4th	53%	34%	13%

About the Survey

Methodology: The research was conducted by Research 2000 of Rockville, MD, during the period of September 28 to September 30, 2000. A total of 605 registered voters who vote regularly in state elections were interviewed by telephone. Those interviewed were selected by the random variation of the last four digits of telephone numbers. A cross-section of ex-changes was utilized in order to ensure an accurate reflection of the state. Quotas were assigned to reflect

Senate Federal and State Affairs Committee
Senator Nancey Harrington, Chair
January 24, 2001

Comments by Carol Wiebe from Hillsboro, population 3,400 located 50 miles north of Wichita.

(Current activities relevant to today's testimony)

- * Economic Development Director, Hillsboro Development Corp. since 1981
- * Charter member of Kansas Technology Enterprise Corp. , Board member nine years, past president.
- * Charter member of Kansas Industrial Developers Association, past board member, past president.
- * Serving a third term on board of Kansas Chamber of Commerce & Industry

Senator Harrington and committee members:

Thank you for the opportunity to share a few comments with you regarding my enthusiastic support for the renewal of the lottery. From reviewing the past days of coverage of your committee I am well aware of the fact that you have heard the complete history of the lottery, the original legislative intent, the majority support of the voters etc.

Perhaps it is difficult to recall the sluggish economic development preceding the adoption of the lottery in 1986, but for Kansas to be competitive something had to be done. The Redwood\Krider report highlighted 18 initiatives which would, in their opinion, bring new life to Kansas. A very forward thinking group of legislators formed an economic development committee. They suggested the lottery could help fund a vision of growth and redevelopment for Kansas. It was always considered to be a method by which new and innovative programs for job creation could be funded. I believe they were absolutely correct inasmuch as more than \$400 million has been generated to date.

Today I would simply like to share a few of my up close, and personal observations of the important role the Kansas Lottery has played in the growth and development of jobs, as well as research and development in our state.

Senate Fed + State
1-24-01
Attachment 4-1

During my tenure on the K.T.E.C. board I often served on the Applied Research and Matching Grant Program committee. Our broad based committee carefully evaluated all applications, rejected some and approved those which met the guidelines. The opportunity to have the funds to award to successful applicants was in place because of the lottery. It was my pleasure over the years to see a number of exciting projects grow and develop statewide. Through KTEC Kansas was able to receive federal dollars through Epscor for experimental research and development, as we were designated one of twenty underserved states. Mid-America Manufacturing Technology Center (MAMTC) became a reality with more federal funds. If the lottery which funded K.T.E.C. had not been in place none of this would have come about.

In Marion County, my hometown industries have availed themselves of services funded by the lottery. Hillsboro Industries, Inc. a Hillsboro farm trailer manufacturing company as well as Marion Manufacturing have received assistance for trade shows, as well as design interns to assist in converting hand engineering drawings to cad drawings to design electronically. We have, from time to time, had programs presented by K.T.E.C. and M.A.M.T.C. There is still today a need to educate and inform business about the services available.

I have also noted the \$300,000 our Eisenhower Commission requested for the Abilene's Eisenhower Center was funded by the lottery. The Governor's commission recommended these funds to help kick-start an expanded marketing program and to assist in increasing the number of visitors at the Eisenhower Center. It was a very important endorsement and really inspired the development of a very aggressive two year educational program. The center's director and staff as well as volunteers, are working diligently to create a museum that is designed to meet the needs of the future.

Nearby McPherson county enjoys the use of Kansas Industrial Training funds for their manufacturing plants as well as Main Street funds. The Sampler Festival originating in Inman has received funds as well. As you have reviewed the awards the past eleven years you will see a wide variety of examples of helping Kansas grow and keep in step with the competition.

The lottery's key role is designed to fund economic development--an umbrella of a term that covers many topics..all of which are needed to expand the Kansas economy. But we must be careful that because of great needs in many areas we do not look upon the lottery as the golden goose to solve problems not originally intended. I urge your swift approval of renewal of the lottery. Thank You.

THE CHAMBER



Testimony of Bernie Koch
Wichita Area Chamber of Commerce
January 24, 2001

Senate Federal and State Affairs Committee S.B. 22

Senator Harrington, members of the committee, thank you for the opportunity to appear before you today in support of Senate Bill 22. I'm Bernie Koch, Vice-President for Government Relations with the Wichita Area Chamber of Commerce.

The Wichita Area Chamber was founded in 1917, making it one of the oldest chambers in Kansas. We have approximately 1,850 members. Many people have a misconception about the Wichita Area Chamber: that we are made up mainly of big businesses. That's not accurate.

About 76 percent of our members have 50 or fewer workers.

About 40 percent of our member businesses have less than ten employees.

About 34 percent of our members are in a service industry, 15 percent in manufacturing and 14 percent in retail with 12 percent in the category of financial/insurance/real estate. Those are our largest categories of members.

Our members determine our policies. This year, they have identified reauthorization of the Lottery and use of its revenue for economic development purposes as a top priority.

As I was preparing this testimony on Friday, I asked the Chamber's Economic Development Director, Lori Usher, for a recent example of how the Economic Development Initiatives Fund has been helpful. Without hesitation, she told me it had sealed the deal on a \$4.5 million expansion just the day before.

This is a national company in the service industry that wanted to add 30 new high-paying jobs, which will eventually grow to 50 new jobs. The last piece of the deal was the purchase of a piece of land where the seller and the company were \$20,000 apart on price. The seller would not budge, and the local company official in Wichita told Lori his headquarters would not authorize that additional \$20,000.

He asked if there was anything available to make up that \$20,000. Lori thought it might be something that could be funded through KEOIF, the Kansas Economic Opportunity Initiatives Fund. That comes from the Lottery. She called the Commerce Department and they approved it.

That \$20,000 insured those 30 new jobs. Those employees will likely make the state the \$20,000 back in tax revenue within a year.

That's good economics, but this isn't just about the money, it's also about people.

Many EDIF projects in Wichita in the past few years have involved call centers. We are a desired location because we're in the Central Time zone, have neutral Midwestern accents, and are hard workers. The call center industry likes us.

The Royal Caribbean Cruises call center employs 700 people, VoiceStream employs 800, Dean and Deluca, 255. Lottery money helped all of those companies locate in Wichita.

I know of some of these employees were once on public assistance. The EDIF has been helpful in giving them a good career.

Also on the list of KEOIF recipients is a company in Haysville, Norland Plastics.

Norland Plastics, the second largest Haysville employer with 300 people, was totally destroyed by the killer tornado of May 3, 1999. It became the symbol of the storm's destruction.

Norland Plastics didn't have to rebuild in Haysville. It did in part because of the \$300,000 KEOIF grant. That's a case where the investment of Lottery dollars helped keep jobs in Kansas, and helped rebuild the spirit of a community.

The Lottery has done not only economic good, but social good as well. I urge you to vote favorably on its reauthorization.

Thank you.

Economic Development Initiatives Fund

(KDOC&H) KEIEP/KEOIF

Thayer	Wichita	YR 2000	\$ 40,000
Royal Caribbean Cruises, Ltd.	Wichita		\$ 75,000
ZTM	Wichita	YR 2000	\$ 22,500
Learjet/Bombardier	Wichita		\$350,000
VoiceStream	Wichita	YR 2000	\$400,000
Dean & Deluca	Wichita	YR 2000	\$125,000
Norland Plastics	Haysville	YR 1999	\$300,000
Mid Continent Resource Recovery	Wichita	YR 1996	\$100,000
WI/SE Partnership (Workforce Cncl)	Wichita	YR 1994	\$ 50,000
WI/SE Partnership (Fly in Format.)	Wichita	YR 1996	\$150,000
Royal Caribbean	Wichita	YR 1999	\$ 50,000
AmeriServe	Wichita	YR 1999	\$100,000
NMF America	Wichita	YR 1999	\$100,000
Kansas Manuf. Assoc.	Wichita	YR 1994	\$250,000
SCKEDD	Wichita	YR 1994	\$ 72,000
Southwestern Bell	Wichita	YR 1997	\$150,000

Pending Projects:

PWC (Back office)(Pending)	Wichita	YR 2000	\$250,000
Equis Corp. (Pending)	Wichita	YR 2000	\$500,000
Project CN	Wichita	YR 2000	\$100-300,000
Project YI	Wichita	YR 2000	\$750,000

The above projects only include KEIEP/KEOIF monies (EDIF). This does not include any training monies....Kansas Industrial Training (KIT)/ Kansas Industrial Retraining (KIR). There are significant dollars provided for training to companies all over Sedgwick County. This also does not include in dollars that Kansas Technology Enterprise Corporation (KTEC) may have spent in the Wichita/Sedgwick County area.

The Small Business Development Centers (SBDC's) will receive \$485,000 this fiscal year and the Kansas Certified Development Companies (CDC's) will receive \$400,000.

As you can tell there are a number of dollars received from EDIF (Lottery funds). The number of jobs retained and/or created by the above is not included. But as an example, Project YI will retain about 700 jobs and create 500 new jobs. Project CN will create about 200 new jobs. Project PWC, 1000 jobs. VoiceStream, 800 jobs, Royal Caribbean, 700 jobs, ZTM, 35 jobs, Thayer, 60 jobs, Dean & Deluca, 255 jobs.

Kansas AFL-CIO

2131 S.W. 36th St.

Topeka, KS 66611

785/267-0100

Fax 785/267-0919



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January 23, 2001

Senate Federal & State Affairs Committee
Senator Nancy Harrington, Chairperson
Room 245N - 10:30 AM - January 24, 2001

Chairperson Harrington & Committee Members,

I am Jim DeHoff, Executive Secretary of the Kansas AFL CIO. I am appearing before you today on behalf of 119,000 Kansas workers who are members of the Kansas AFL CIO.

Organized labor in Kansas has always been a strong supporter of economic development incentives. In many areas of the State we work closely with economic development committees that are set up to attract business to a local area.

We were very active with the 1986 initiative or constitutional amendment that allows a state lottery. As each of you know, economic development is an ongoing process. In order to keep existing business and attract new business in Kansas we have to continue offering incentives to maintain a viable economy and with these incentives attract and maintain a steady job and business base.

Lottery training funds that have been available through the Kansas Industrial Training Program and Kansas Industrial Retraining Program have had a major impact with helping workers train for new technology, thereby keeping Kansas business competitive in the global marketplace, as well as being competitive with other states.

We urge support for passage of SB 22 to continue this very successful economic development program.

Thank you.

Jim DeHoff



Senate Fed + State
1-24-01
Attachment 6-1



KANSAS BOARD OF REGENTS

700 SW HARRISON • SUITE 1410 • TOPEKA, KS 66603-3760

GENERAL ADMINISTRATION - 785-296-3421
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January 24, 2001

Statement of Support for SB 22
Kim A. Wilcox, Executive Director
Kansas Board of Regents

- The Kansas Board of Regents endorses renewal of the Kansas Lottery
- In FY 2001, the lottery contributed nearly \$10M to vocational technical schools and colleges under the supervision of the Board of Regents
- In FY 2001, the lottery contributed nearly \$8M to the state universities through K-TEC's Centers of Excellence
- In an information economy, true economic development results from investment in human capital
- Kansas has made a significant investment in its post-secondary education system and that system has found a new energy within the framework of the new Kansas Board of Regents
- To ensure that our existing investment continues to pay dividends in the future, we must stay committed to the basic support of these institutions

Senate Fed + State
1-24-01
Attachment 7-1