

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on February 12, 2008 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jennifer Thierer, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Jason Long, Revisor of Statutes
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Wally Kearns, State Director, Kansas Small Business Development Center
Kim Winn, League of Kansas Municipalities

Others attending:

See attached list.

To read testimony submitted by conferees go to

<http://skyways.lib.ks.us/government/KansasSenateCommerceCommittee>.

SB 526--Distribution of moneys from E-911 fees

SB 461--Employment security law; requiring wage reports, contribution returns and making certain payments

Chairperson Brownlee opened the hearing on **SB 526** and introduced Kim Winn representing the League of Kansas Municipalities to give her testimony as a proponent of the bill. Ms. Winn presented written testimony (Attachment 1) which can be found in its entirety on the link listed above.

Upon the conclusion of Ms. Winn's testimony there was discussion with the Committee regarding the funds and how they would be disbursed. Ms. Winn noted the funds would be used to help the counties that do not have E911 assess complete Phase 1 and Phase 2. The Committee discussed a change in the language to "shall be distributed to PSAPs that have not obtained either Phase 1 or Phase 2 status" and maybe after they are all have Phase 2, the money can be distributed to the smallest counties. It was noted that there are 12 counties they will be helping obtain Phase 1 and Phase 2. It was noted that the 911 call should be picked up by the carrier in the location where you place the 911 call. The Committee also discussed the fact that all areas are not covered for every cell phone company and there are certain spots without coverage.. Chairperson Brownlee asked the staff to check into Federal law regarding the guidelines for emergency calls. It was noted by Ms. Winn that Geo Comm would assist in training and assessments in these communities. Senator Barone stated he would like to see these counties that don't have Phase 1 and/or Phase 2 ,their evaluation and their income. There is some concern that some of the counties that are not set up have the resources and that the money should only go to the poorest counties. Ms. Winn stated she would get that information for the Committee. Chairperson Brownlee stated she will hold the hearing open until the staff has time to gather the information on the federal law regarding emergency calls. Senator Emler asked staff to draft an amendment rewording the bill regarding how the money is distributed.

Chairperson called the Committee's attention to **SB 461** and called on Secretary Garner, Department of Labor, asking if he had the information that the Committee requested during the hearing. Secretary Garner stated the budget has corrected the fiscal note. He stated in 2007 the Department of Labor spent little over \$21,000 bringing temporary staffing to deal with the enormous amounts of paper they get. He estimated this bill when fully implemented would reduce that by half; which would be a savings over \$80,000. Secretary Garner also stated the bill would improve the efficiencies on: having more accurate information; getting more information; and getting information faster.

A discussion followed with Senator Wagle suggesting they could scan documents instead of electronic filing. Secretary Garner stated they were not set up to do scanning at this time. The discussion moved on to the

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on February 12, 2008 in Room 123-S of the Capitol.

minimum number of employees that would require electronic filing. Some of the Committee members feel that 50 is too low a number and feel it should be raised. Senator Brownlee suggest some changes that might make the bill acceptable to Senator Wagle's concerns of the requirement of 50 or more as the minimum. Secretary Garner offered a balloon (Attachment 2) to the committee with changes to address Senator Wagle's concerns. Secretary Garner's balloon can be found in its entirety on the link listed on page 1 of these minutes.

Chairperson Brownlee called on Jennifer Theirer, Legislative Research, to address the questions Senator Wagle had asked in an earlier meeting on the federal requirements for electronic filing. Ms. Theirer presented written copy addressing Senator Wagle's questions (Attachment 3) which can be found in its entirety on the link shown on page 1 of these minutes.

Next, Chairperson Brownlee asked the Committee if they were ready to work the bill.

Senator Wagle made a motion to adopt the amendment presented by Secretary Garner which strikes "employers with 50 or more employees" from the bill making the minimum requirement for electronic filing 100 employees. Senator Schodorf seconded. Motion carried.

Senator Schodorf made a motion to move the bill out favorably as amended. Senator Reitz seconded. Motion carried.

Next, Chairperson Brownlee introduced Wally Kearns, State Director, Kansas Small Business Development Center to give the Committee an update on the Kansas Small Business Development Center. Mr. Kearns presented written copy. (Attachment 4)

Mr. Kearns stated he would be updating on the three key points of his handout: disaster recovery assistance; use of additional funds; collaboration.

Disaster Recovery Assistance:

From May 10, 2008 until February 1, 2008 they provided 2383 hours of staff time for disaster recovery assistance at the Disaster Recovery Centers (DRC) in Greensburg, HaviLand, Toursdale, and southeastern Kansas. Initially, the primary role of the KSBDC was to provide support to the U.S. Small Business Administration, Office of Disaster Assistance, Field Operations. He stated the U.S. Small Business Administration is the primary, federal, funding partner of the Kansas Small Business Development Center. The Kansas Small Business Development Center provided the Kansas Department of Commerce \$50,000 of additional FY 2008 funding for the new Greensburg economic development position. Also, they prepared and submitted a Portability Grant Proposal to the U.S. Small Business Administration for \$100,000 to provide dedicated Kansas Small Business Development Center support to Greensburg for a minimum of twelve months. Mr. Kearns stated there are 46 businesses have now reopened with a total of 37 more having plans to reopen. He stated before the tornado in Greensburg there was a total of 145 businesses.

Use of Additional Funds:

The Governor recommended under the Governor's Rural Initiative last session a funding increase of \$1 million for Kansas Small Business Development Center (KSBDC) . Mr. Karnes stated he was going to summarize the current status of the use of funds.

- They provided \$50,000 to Commerce for Greensburg,
- they have salary wage adjustments to thirteen positions. The reason was because they lost six key people in a matter of eighteen months. They participated in a salary survey at the national level of SBDC's and also conducted a salary survey of the mid-west. Based on that data we adjusted the salaries of thirteen positions.
- Two new consultants hired, one for Johnson County Community College and one for Washburn University.
- An Assistant Director of Marketing and Training has been hired at the state office. The new

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on February 12, 2008 in Room 123-S of the Capitol.

Assistant Director of Marketing and Training will be working on a new virtual training program for the KSBDC website; the KSBDC signed a contract with Virtual Advisor for \$3,000. Virtual Advisor will provide the KSBDC with at least 18 training programs that will be available on the KSBDC website in April 2008. The KS

- KSBDC signed a three year, \$5,000 contract with Sageworks for the use of ProfitCents. This web-based, financial analysis tool will provide clients financial data on their businesses and suggestions for how to improve performance.
- Two KSBDC team members, at a cost of \$4,350, have been certified to conduct a Franklin Covey workshop; their goal is to collaborate with the Kansas Department of Commerce and to offer it to the directors of the Main Street Programs in August. In addition it is being offered for businesses with less than 300 employees.

Mr. Kearns stated they will be establishing additional outreach centers.

A discussion followed with the Committee regarding the salary adjustment that were made within the KSBDC. It was noted by Mr. Kearns that the salary adjustments were coordinated with host universities and had to have their approval. The return on their investment was also discussed. Mr. Kearns stated his report is based on the 2006 funding laws. In the process of doing 2007 at this time and will have by the end of March.

Collaboration

Mr. Kearns quickly referred the Committee to a handout (Attachment 5) which shows how they collaborate with the Kansas Department of Commerce, Office of Rural Opportunity and Enterprise Facilitation. In closing he stated that the collaborating is making a difference in Kansas.

Due to the time, Chairperson Brownlee adjourned the meeting at 9:30 a.m. with the next scheduled meeting scheduled for February 13, 2008 at 8:30 a.m. in room 123 S.



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(785) 354-9565



300 SW 8th Ave.
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To: Senate Commerce Committee
From: Kimberly Winn, LKM
Judy Moler, KAC
Date: February 12, 2008
Re: Support for SB 526

On behalf of our member cities and counties, we thank you for the introduction of this bill and for the opportunity to share our comments.

As most of you know, the League of Kansas Municipalities and the Kansas Association of Counties jointly serve as the Local Collection Point Administrator for the local enhanced wireless 911 fees. In this capacity, we work with local Public Safety Answering Points (PSAPs) regarding their use of this fee which was established in order to bring enhanced wireless 911 to Kansas. Prior to passage of the enhanced wireless 911 bill, only 5 PSAPs had the capability of locating persons calling from wireless communication devices (Phase II compliant). The latest figures that we have indicate that all but 12 of the 115 PSAPs in Kansas are Phase II compliant (or Phase I and moving toward Phase II). See the attached map for details on the location of those PSAPs.

The enhanced wireless 911 Act requires us to collect the local fees and distribute them to PSAPs based on zip + 4 data provided by the wireless carriers. Over the years, however, there has grown a very small pot of monies which cannot be distributed because the zip +4 information provided by the wireless companies is from out of state. Most likely, these are individuals that have chosen to have a Kansas area code, but the bill goes to another location (and they have failed to designate any other "primary place of use.") This fund currently stands at approximately \$58,000 and about \$800 gets added each month.

The PSAPs that remain are very small and many have told us that they are not even sure what questions to ask to begin the process of becoming Phase II compliant. We have asked for this minor amendment to the enhanced wireless 911 act in order to allow us to specifically assist those communities that are having the most difficulty in getting themselves up and running. It would be our intention to use these funds to offer specialized one-on-one trainings so that these PSAPs could properly assess their current status and what they need to do in order to become Phase II compliant.

Again, thank you for consideration of this bill. I would be happy to stand for questions at the appropriate time.

Senate Commerce Committee
February 12, 2008

Attachment 1-1

SB 461

18

SB 461

1 bond with sufficient sureties to guarantee the payment of contributions,
2 penalty and interest owed by such employer.

3 (2) The amount of such cash deposit or bond shall be not less than
4 the largest total amount of contributions, penalty and interest reported
5 by the employer in two of the four calendar quarters preceding any delin-
6 quency. Such cash deposit or bond shall be required until the employer
7 has shown timely filing of reports and payment of contributions for four
8 consecutive calendar quarters.

9 (3) Failure to file such cash deposit or bond shall subject the em-
10 ployer to a surcharge of 2.0% which shall be in addition to the rate of
11 contributions assigned to the employer under K.S.A. 44-710a and amend-
12 ments thereto. Contributions paid as a result of this surcharge shall not
13 be credited to the employer's experience rating account. This surcharge
14 shall be effective during the next full calendar year after its imposition
15 and during each full calendar year thereafter until the employer has filed
16 the required cash deposit or bond or has shown timely filing of reports
17 and payment of contributions for four consecutive calendar quarters.

18 (j) Any officer, major stockholder or other person who has charge of
19 the affairs of an employer, which is an employing unit described in section
20 501(c)(3) of the federal internal revenue code of 1954 or which is any
21 other corporate organization or association, or any member or manager
22 of a limited liability company, or any public official, who willfully fails to
23 pay the amount of contributions, payments in lieu of contributions or
24 benefit cost payments required to be paid under the employment security
25 law on the date on which such amount becomes delinquent, shall be
26 personally liable for the total amount of the contributions, payments in
27 lieu of contributions or benefit cost payments and any penalties and in-
28 terest due and unpaid by such employing unit. The secretary or the sec-
29 retary's authorized representative may assess such person for the total
30 amount of contributions, payments in lieu of contributions or benefit cost
31 payments and any penalties, and interest computed as due and owing.
32 With respect to such persons and such amounts assessed, the secretary
33 shall have available all of the collection remedies authorized or provided
34 by this section.

35 (k) *Electronic filing of wage report and contribution return and elec-*
36 *tronic payment of contributions, benefit cost payments or reimbursing*
37 *payments. The following employers or third party administrators shall*
38 *file all wage reports and contribution returns and make payment of con-*
39 *tributions, benefit cost payments or reimbursing payments electronically*
40 *as follows:*

41 (1) *Wage reports, contribution returns and payments due after June*
42 *30, 2008, for those employers with 250 or more employees or third party*
43 *administrators with 250 or more client employees at the time such filing*

1 *or payment is first due;*

2 (2) *wage reports, contribution returns and payments due after June*
3 *30, 2009, for those employers with 100 or more employees or third party*
4 *administrators with 100 or more client employees at the time such filing*
5 *or payment is first due; and*

6 (3) *wage reports, contribution returns and payments due after June*
7 *30, 2010, for those ~~employers with 50 or more employees or~~ third party*
8 *administrators with 50 or more client employees at the time such filing*
9 *or payment is first due.*

10 *The requirements of this subsection may be waived by the secretary for*
11 *an employer if the employer demonstrates a hardship in complying with*
12 *this subsection.*

13 Sec. 3. K.S.A. 2007 Supp. 44-710 and 44-717 are hereby repealed.

14 Sec. 4. This act shall take effect and be in force from and after its
15 publication in the statute book.

Offered by:
Secretary Garner
Department of Labor

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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Topeka, Kansas 66612-1504
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February 11, 2008

To: Senate Commerce Committee
From: Jennifer Thierer, Legislative Intern
Re: SB 461

On Friday, February 8, Senator Wagle raised a question concerning SB 461 about whether the federal Department of Labor has an electronic filing requirement for employees and, if so, what the minimum number of employees was in order for the requirement to apply.

According to the Kansas Department of Labor, the equivalent federal form to the state Quarterly Wage Report and Unemployment Tax Return is the Form 940. This form is filed with the Internal Revenue Service and can be filed electronically or on paper. Employers are required to file the 940 if they paid wages of \$1,500 or more in any calendar quarter or had one or more employees for some part of a day in any 20 different weeks. The requirements are slightly different for household and agricultural employers. The federal form requests significantly less data from filers, however. (Please see attached forms for example.)

A more equivalent federal form in terms of information required is the federal W-2 form (also attached). Like the State Quarterly Wage reports, W-2 filings require information on each individual employee, including:

- Full name and address;
- Wages and benefits; and
- Taxes withheld at the federal, state, and local levels.

For the W-2 form, only employers with more than 250 employees are required to file electronically. However, all businesses are encouraged to do so, and incentives exist for this purpose, including a later filing date for electronic reports.

Enclosures

Form **940 for 2007:** Employer's Annual Federal Unemployment (FUTA) Tax Return

850107

Department of the Treasury — Internal Revenue Service

OMB No. 1545-0028

(EIN)
Employer identification number -

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Type of Return
(Check all that apply.)

a. Amended

b. Successor employer

c. No payments to employees in 2007

d. Final: Business closed or stopped paying wages

Read the separate instructions before you fill out this form. Please type or print within the boxes.

Part 1: Tell us about your return. If any line does NOT apply, leave it blank.

- 1 If you were required to pay your state unemployment tax in ...
- 1a One state only, write the state abbreviation 1a
- OR -
- 1b More than one state (You are a multi-state employer) 1b Check here. Fill out Schedule A.
- Skip line 2 for 2007 and go to line 3.
- 2 If you paid wages in a state that is subject to CREDIT REDUCTION 2 Check here. Fill out Schedule A (Form 940), Part 2.

Part 2: Determine your FUTA tax before adjustments for 2007. If any line does NOT apply, leave it blank.

- 3 Total payments to all employees 3
- 4 Payments exempt from FUTA tax 4
- Check all that apply: 4a Fringe benefits 4c Retirement/Pension 4e Other
- 4b Group term life insurance 4d Dependent care
- 5 Total of payments made to each employee in excess of \$7,000 5
- 6 Subtotal (line 4 + line 5 = line 6) 6
- 7 Total taxable FUTA wages (line 3 - line 6 = line 7) 7
- 8 FUTA tax before adjustments (line 7 × .008 = line 8) 8

Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.

- 9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax, multiply line 7 by .054 (line 7 × .054 = line 9). Then go to line 12 9
- 10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940), fill out the worksheet in the instructions. Enter the amount from line 7 of the worksheet onto line 10 10
- Skip line 11 for 2007 and go to line 12.
- 11 If credit reduction applies, enter the amount from line 3 of Schedule A (Form 940) 11

Part 4: Determine your FUTA tax and balance due or overpayment for 2007. If any line does NOT apply, leave it blank.

- 12 Total FUTA tax after adjustments (lines 8 + 9 + 10 = line 12) 12
- 13 FUTA tax deposited for the year, including any payment applied from a prior year 13
- 14 Balance due (If line 12 is more than line 13, enter the difference on line 14.)
• If line 14 is more than \$500, you must deposit your tax.
• If line 14 is \$500 or less and you pay by check, make your check payable to the United States Treasury and write your EIN, Form 940, and 2007 on the check 14
- 15 Overpayment (If line 13 is more than line 12, enter the difference on line 15 and check a box below.) 15

Check one Apply to next return.
 Send a refund.

▶ You MUST fill out both pages of this form and SIGN it.

Next →

Name (not your trade name)

Employer identification number (EIN)

Part 5: Report your FUTA tax liability by quarter only if line 12 is more than \$500. If not, go to Part 6.

16 Report the amount of your FUTA tax liability for each quarter; do NOT enter the amount you deposited. If you had no liability for a quarter, leave the line blank.

16a 1st quarter (January 1 – March 31) 16a

16b 2nd quarter (April 1 – June 30) 16b

16c 3rd quarter (July 1 – September 30) 16c

16d 4th quarter (October 1 – December 31) 16d

17 Total tax liability for the year (lines 16a + 16b + 16c + 16d = line 17) 17 Total must equal line 12.

Part 6: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

Yes. Designee's name

Select a 5-digit Personal Identification Number (PIN) to use when talking to IRS

No.

Part 7: Sign here. You MUST fill out both pages of this form and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments made to employees.

X Sign your name here

Print your name here

Print your title here

Date

/ /

Best daytime phone

() -

Part 8: For PAID preparers only (optional)

If you were paid to prepare this return and are not an employee of the business that is filing this return, you may choose to fill out Part 8.

Paid Preparer's name

Preparer's SSN/PTIN

Paid Preparer's signature

Date

/ /

Check if you are self-employed.

Firm's name

Firm's EIN

Street address

City

State

ZIP code

22222		a Employee's social security number		OMB No. 1545-0008				
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld			
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld			
			5 Medicare wages and tips		6 Medicare tax withheld			
			7 Social security tips		8 Allocated tips			
d Control number			9 Advance EIC payment		10 Dependent care benefits			
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans		12a
f Employee's address and ZIP code						13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b
						14 Other		12c
								12d
15 State	Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement
 Copy 1—For State, City, or Local Tax Department

2008

Department of the Treasury—Internal Revenue Service

Senate Commerce Committee

February 12, 2008

**Testimony by:
Wally Kearns, State Director
Kansas Small Business Development Center**

Co-chairs Brownlee and Jordan and members of the Senate Commerce Committee, I'm Wally Kearns, State Director of the Kansas Small Business Development Center Network. Thank you for the opportunity to appear before your committee today. My testimony will focus on disaster recovery assistance; the use of the additional funding provided the KSBDC, and collaboration with other resources.

Disaster Recovery Assistance

Between May 10, 2007 and February 1, 2008, the Kansas Small Business Development Center provided 2,383 hours of staff time to disaster recovery assistance at the Disaster Recovery Centers (DRC) in Greensburg, Haviland, Trousdale, and southeastern Kansas.

KSBDC team members from the eight KSBDC regional and two outreach centers worked in the DRCs from early May until mid-July. Mark Buckley, a KSBDC consultant, has been assigned to work with entrepreneurs, business owners, community and business leaders, SBA, FEMA, USDA, KDOC and other resources during 2008. We feel it is important to have the same consultant provide services and maintain relationships with community organizations.

Initially, the primary role of the KSBDC was to provide support to the U.S. Small Business Administration (SBA), Office of Disaster Assistance, Field Operations – West, Sacramento, at the DRCs. The SBA is the primary, federal, funding partner of the KSBDC.

The KSBDC assisted home owners and business owners through one-on-one counseling, over the phone or online in the following areas:

- Personal financial statements
- Applying for direct loans from SBA
- Reconstructing profit and loss statements and balance sheets
- Rebuilding databases/computer recovery
- Business plans
- Financial projections
- Goals and business recovery strategy

The KSBDC goal is to meet with approximately 60 businesses that desire to rebuild in Greensburg. We will utilize the diverse expertise within the KSBDC and over 400 resource partners enrolled in NetWork Kansas.

Actions:

- Attended and presented information about KSBDC assistance and services at the Greensburg Town Hall meeting on May 11.
- Organized and scheduled a conference call between the Kansas Department of Revenue and U.S. Small Business Administration, Office of Disaster Assistance, Field Operations – West, to discuss the Kiowa County Business Assistance Restoration Assistance Program that was approved by the 2007 Kansas Legislature. The purpose of

the call was to discuss federal statutes that could impact on any business that received a direct loan from SBA and assistant payments from the \$5,000,000.

- Provided the Kansas Department of Commerce \$50,000 of KSBDCs additional FY 2008 funding for the new Greensburg economic development position.
- Invited Mike Hiebert, business proprietor, to attend the weekly Kiowa County Business Redevelopment Board meeting to discuss the availability and cost of using 14' X 60' trailers to jump start some businesses.
- Prepared and submitted a Portability Grant Proposal to the U.S. Small Business Administration for \$100,000 to provide dedicated KSBDC support to Greensburg for a minimum of twelve months.
- Organized and coordinated a bus tour for entrepreneurs and community leaders from Greensburg to six Kansas communities in an effort to generate ideas for reconstructing Greensburg.
- Participated in the Greensburg Public Square Steering Committee Vision Retreat facilitated by Terry Woodbury, President, Kansas Communities, LLC.
- Coordinated the Tax Relief brochure prepared by the KU Tax Club at the University of Kansas School of Business with IRS and the Kansas Department of Revenue. The brochure was distributed to Greensburg residents by the KSBDC and other resources.
- Talked with ten businesses that were not previously located in Greensburg but now see it as an opportunity to support the community and expand their business into Greensburg. We met with two manufacturers, three service and five retail businesses.
- Participated in the planning of the downtown incubator with community leaders and USDA Rural Development.

Ongoing actions:

- Provide one-to-one confidential consulting assistance to business owners.
- Attend weekly meetings with the Kansas Department of Commerce to discuss and respond to disaster recovery needs.
- Attend and participate in the weekly Kiowa County Business Redevelopment Board meetings in Greensburg; the KSBDC has been attending the Tuesday meetings since May 29.
- Attend the weekly Greensburg Steering Committee meetings.
- Attend the weekly Green Committee meetings.
- Meet with Kelly and Mike Estes, leaders of the Kiowa County Business Redevelopment Board, about business redevelopment ideas and strategies.
- Meet with Jeannette Siemens, Economic Development Director, Greensburg, about the needs of the community and businesses.

A total of 46 businesses have now reopened with 37 more that have plans to reopen in Greensburg. There are 21 new businesses in the planning stages that want to open there. The

.SBDC has had contact with 81 businesses and individuals regarding business opportunities. This number grows weekly as people continue to contact our office.

Greensburg will need many resources to rebuild. One of the most important resources will be teams with expertise and unselfish reasons that can provide guidance and help residents determine a path for the future of Greensburg.

Use of Additional Funds

The Governor recommended and the 2007 Legislature approved a \$1 million budget enhancement for the Kansas Small Business Development Center Network (KSBDC). The table below provides the planned use of the additional funds.

Use of Additional Funds	\$1,000,000	
Salary and Fringe Adjustments		\$153,199 ¹
Marketing/External Outreach Position – State Office		69,850 ¹
KSBDC Consultants – 9 New Consultant Positions		566,901 ¹
Operating Expenses: Travel, new equipment, professional development, supplies, etc.		210,050
Total		\$1,000,000

¹ Includes Benefits at 27%

Status – Use of Funds

- \$50,000 was provided to the Kansas Department of Commerce for Greensburg.
- Salary and fringe adjustments have been completed for 13 KSBDC positions.
- Two new consultants have been hired. The Johnson County Community College consultant will provide dedicated services to Wyandotte County. Washburn University hired the other consultant. In addition, a new marketing position was established and filled at the state office. Anne Woods is the Assistant Director for Marketing and Training and will initially be working on a new virtual training program for our website; the KSBDC signed a contract with Virtual Advisor for \$3,000. Virtual Advisor will provide the KSBDC will at least 18 virtual training programs that will be available on the KSBDC website in April 2008. Anne will also be developing additional collaborative partnerships with other resource partners.
- Signed a three-year, \$5,000 contract with Sageworks for the use of ProfitCents. This web-based, financial analysis tool will provide clients financial data on their businesses and suggestions for how to improve performance.
- Two KSBDC team members, at a cost of \$4,350, have been certified to conduct *The 7 Habits for Managers*, a Franklin Covey workshop; our goal is to collaborate with the Kansas Department of Commerce and offer it to the directors of the Main Street Programs in August. In addition, it is being offered for businesses with less than 300 employees.

The KSBDC goal is to establish 6-8 new KSBDC outreach centers. An outreach center is a collaborative partnership between an existing regional center host and a Kansas community college or other resource partners.

An outreach center is a very cost effective strategy for establishing collaborative partnerships and expanding KSBDC services because it minimizes the overhead and maximizes the delivery of KSBDC

consultant services. For example, Cloud County Community College (CCCC) is an outreach center host; the outreach center is a collaborative partnership between CCCC and Wichita State University. The full-time consultant located at CCCC is an employee of WSU and all administrative paperwork and reporting requirements are the responsibility of WSU, the regional center host. Attached are some of the handouts discussed during meetings with potential collaborative partners for establishing an outreach center.

The current regional center hosts are:

- Emporia State University
- Fort Hays State University
- Garden City Community College
- Johnson County Community College
- Pittsburg State University
- University of Kansas
- Washburn University
- Wichita State University

In October 2007, the KSBDC signed an agreement with six community college presidents (see below) in the Southeast Kansas System of Higher Education consortium, to establish two new KSBDC Outreach Centers in SE Kansas. PSU and ESU also are members of the Southeast Kansas System of Higher Education consortium and are KSBDC regional center hosts.

1. Allen County Community College
2. Coffeyville Community College
3. Fort Scott Community College
4. Independence Community College
5. Labette Community College
6. Neosho Community College

All six community colleges will be providing a cash match (\$40,597 total; PSU and ESU are providing \$81,194) and in-kind services. As a result, two KSBDC outreach centers rather than one (in our original plan) are being established in southeastern Kansas. A consultant will be housed at Allen County Community College in Iola and at Independence Community College in Independence. They will be employees of PSU; February 11 is the start date for the two consultants.

Our goal is to replicate what happened in SE Kansas in at least 4-6 of the other KSBDC regions.

In October 2007, we made a presentation to Butler County Community College, Cowley County Community College, Hutchinson Community College and Pratt Community College. As a result, we'll have a collaborative partnership between two KSBDC regional center hosts, Emporia State University and Wichita State University, and at least two community colleges, Butler and Cowley. The new outreach centers will be in Andover and Cowley. Another new outreach center may be located in Hutchinson. On February 5, we had our fourth meeting with Hutchinson Community College; four economic development directors also attended the meeting. Our goal is to leverage \$57,415 from the collaborative partners; thus far we have leveraged \$24,453. The KSBDC will provide \$114,830.

In January 2008, we met with David Reist, President of Highland Community College, about establishing at least one and possibly two new KSBDC outreach centers in northeastern Kansas. The outreach center would be a collaborative partnership with the Glacial Hills RC&D, the Washburn University KSBDC and the University of Kansas KSBDC. We should have a response from HCC by mid-March. Our goal is to leverage \$37,500; \$25,000 has already been committed. The KSBDC will be providing \$75,000.

In February 2008, the KSBDC will be making a presentation to resource partners and Colby Community College about establishing an outreach center in northwestern Kansas. We also will be meeting with Kansas City Kansas Community College on 22 February.

Lastly, we will be meeting with Barton County Community College, Dodge City Community College and Seward Community College in February or March about establishing new outreach centers.

Collaboration

Collaboration continues to be a priority for agencies and resources. Collaboration maximizes the effectiveness of all resources because it creates interconnectivity and synergy between agencies and resources and provides entrepreneurs, existing businesses, communities and Kansans greater and more efficient access to the most appropriate resources and programs based on their challenges and needs.

Meetings and conference calls have been conducted since December 2004 between the Kansas Department of Commerce (Business Development, Ag Products and Community Development, etc.), NetWork Kansas and the Kansas Small Business Development Center. USDA – Rural Development and the Center for Engagement and Community Development; CECD began participating this year; we expect the number of participating resources to continue to expand throughout the year.

Today, I will briefly discuss four of the resources that collaborate; Office of Rural Opportunity – Kansas Department of Commerce; Enterprise Facilitation; NetWork Kansas; and the Kansas Small Business Development Center. All of these resources are NetWork Kansas partners.

Office of Rural Opportunity – Purpose: Assists and connects communities with resources and programs that can enhance and enable their ability to create a community-driven, bottom-up approach to sustaining and growing their community.

Enterprise Facilitation – Purpose: Implements a bottom-up approach to enhance and increase entrepreneurial business development in rural communities utilizing a facilitator and local board.

NetWork Kansas – Purpose: Connects entrepreneurs and existing businesses to the expertise, education, and economic resources you need when you need them. NetWork Kansas **IS NOT** a direct service provider; everything (expertise, education and economic resources) either flows to or through NetWork Kansas partners.

Kansas Small Business Development Center – Purpose: Assist entrepreneurs and existing businesses start and grow through professional counseling and training.

Lastly, thank you for providing the KSBDC Network the opportunity to assist entrepreneurs and existing businesses for 25 years; the KSBDC is celebrating our 25th Anniversary this year.

Again, I thank you for this opportunity; I would welcome your questions at this time.

Contact Information: Wally Kearns, State Director, Kansas Small Business Development Center Network. ksbdc.wkearns@fhsu.edu 785-296-6514

Greensburg

4-6

Number of Businesses that have reopened	46
Number of Businesses that plan to reopen	37
Number of New Businesses that plan to open	21
Number of Businesses and Individuals that KSBDC has had contact with	81
Number of Wind Farms (at this time)	1
Number of Bio-Diesel Plants	1
Number of New Manufacturing Businesses that plan to open	3
Total planned employment	85
Number of manufacturing jobs (Before the tornado)	0

All 10 Churches are now open and are planning to rebuild

The percent of students that returned for school in August	86%
A new state of the art grade / high school will open in the fall of 2009	

The number of residents living in the FEMA community/trailers	508
Number of new building permits	49

The Kiowa County Hospital is in operation in temporary quarters and plans to rebuild a new \$15,000,000 16 critical bed hospital / clinic facility in 2009

Current Number of Doctors	1
Current Number of PA's/ARNP's	3
Current Number of RN's	12
Current Number of LPN & Nurse Aides	10

Greensburg is working with the USDA in building a new \$2,000,000 business / retail incubator which will open in the late summer of 2008

Greensburg is working with KSU in building a state of the art internet television/radio/bulletin board which will use the latest internet technology including WiMax. This new form of communication will provide coverage to **80%** of the residents in Kiowa County. Sprint, Intel and Magnavox are already on board to donate equipment. Also, all businesses, government offices, students, households and public access points will receive a **free** computer and training.

THE KIOWA COUNTY Signal

Serving Kiowa County Since 1886.
www.kiowacountysignal.com

HOME OF THE WORLD'S LARGEST

Bar-B-Q
Served by D.C.I. & Licensed Licensed Dining Facility
Wednesday, July 25
5:00 p.m.
Proceeds go to support the remodeling of The Carriage House.

VOLUME 121 NUMBER 29 USPS 295-960 GREENSBURG KANSAS 67639 ESTABLISHED 1887

Bus tour shapes vision of the new Greensburg

By Mark Anderson
editor@kiowacountysignal.com

More than a dozen community leaders and entrepreneurs toured six Kansas towns last Friday, looking for ideas as to how they can best plan the reconstruction of Greensburg's downtown. The group, led by Mark Buckley of the Kansas Small Business Development Center, visited, in order, Hutchinson, Sterling, Lyons, McPherson, Lindsborg and Hesston.

Buckley directed the group's attention in the first five stops to specific designs of the towns' Main Streets, as well as aesthetic touches such as street lighting and strategically located mini-parks. He also arranged for community leaders to be available to explain their process of design, as well as answer questions.

After spending nearly 14 hours on the Greensburg High activity bus, the group spent the last 30 miles of their return trip brainstorming how their observations might be translated into an eye-catching business district that will both attract visitors and accommodate residents well into the 21st century.

Prompted by the questions of City Administrator Steve Hewitt and Mayor John Janssen, the passengers seemed to agree on several

key concepts, including the importance of sharing their impressions with as many back home as soon as possible, in order to coalesce around a common vision of how the business district should take shape.

"We need to get everyone who was on Main Street, and who will be involved in downtown together to stress how important (construction) guidelines are and to start to shape them," said Ruth Ann Wedel, owner of the former WB's Bulk Food Store.

It was at that point Hewitt stated, "Maybe not so much what you want on Main Street, as what you don't want," a comment referencing the earlier visit to Lyons, a city whose downtown largely rings a majestic courthouse and its square. Buckley had gone to great pains to point out the local hardware store which had been allowed to rebuild on the west side of the square without reference to the brick and mortar facade of the other structures in the square.

"They didn't put any expectations on how the hardware store should look when rebuilt, and now they have a brightly colored metal building that doesn't fit in with the rest of the square," Buckley pointed out. "I wouldn't recommend doing the same." The group on the bus voiced



Photo by Mark Anderson/The Signal

Members of the tour take in the sights of the antique district of Hutchinson's southern stretch of Main Street Friday morning, while Greensburg's mayor and city administrator (right) visit with Hutchinson's city manager. Deep

agreement. The group was also in agreement on the need for a central drawing card for the downtown district, such as the Anchor Inn Restaurant serves

for the "antique district" section of the made over southern blocks of Main Street in Hutchinson.

Erica Goodman of the tourism board said she thought the Big Well could and likely should serve as that focal point. When asked by Hewitt whether the City should play a role in helping to develop

specifications for the exterior/appearance of downtown structures, the bus responded with a unanimous "yes," as it

Please see Vision, page 2

From Page 1

did when he then asked if the buildings and streetscape should "blend together."

The liberal use of so-called "green space"—strategic planting of trees, seasonal flora, and recreational areas making use of such aesthetically pleasing features as fountains—was also a concept widely endorsed by the group. "Every place we visited today made a big deal of trees planted along Main Street and in strategic places," Janssen noted. "If you mainly have trees along our new Main Street, how will you be a nickel's worth different from all the other towns we saw today?"

"We need a big green space, with a downtown park and maybe even a little stream or waterfall running through it. No one else around here has that, and it would really draw people's attention."

Another idea that gained traction as the miles slipped by was that of possibly moving Main Street a block west to Sycamore Street in order to more intentionally incorporate the Big Well into the business district, ending its decades of being cut off from the retail area. Hewitt referred to envisioning the Big Well as becoming the CosmoSphere of southwestern Kansas, a destination point for school children's field trips.

Talk then shifted to conceiv-

ing of Main Street being more of a multi-block area of a leisurely mix of retail shops, small "pocket" parks and even family friendly features such as small waiting pools for children. The business district would become something more than "strictly business," serving as a cozy spot where shoppers could park behind buildings, leaving space to stroll and "hang out" with one another while visiting shops or stopping in for a bite to eat at a local bistro or deli.

...Greensburg Mayor John Janssen.

Discussion also centered on using the surviving Centra Bank building on Main as either a museum or even a visitor center, though some thought a visitors center/convention center would need a bigger venue.

Janssen spoke of getting "something started soon" on reconstruction of the Twilight Theatre, and possibly locating the new Senior Center next door on the lot formerly occupied by Duckwalks as a point of convenience.

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Main Street and new offices of Jacam Chemicals in Sterling, rebuilt with state-of-the-art efficiency after a fire destroyed the former location in February of 2005. "Sterling has the best streetscape you're going to see today," Buckley said. "It's by far the most functional."

Gene Zaid, president of Jacam, said he mothballed his old plant after building his new one north of town. "I decided to keep the old one as a backup after seeing what the tornado did to your town a couple of months ago," Zaid told the visitors.

Lyons city manager John Sweet (yes, he's the brother of KCMH administrator Mary Sweet) commented on the historic and architecturally eye-catching courthouse serving as the focal of the town square design of the city's business district.

Any town having a courthouse "looking like that" would be "puns" not to make it the centerpiece of downtown, a Lyons chamber member commented. No one argued.

The aesthetically challenged Woydziak Hardware metal building erected recently on the west side of the square was pointed out by Buckley as a move not to be duplicated.

in McPherson showed the advantage of having attractive rear entrances to businesses, where behind the store parking facilities mean greater use of Main Street space.

Staria McClain later commented the same approach could be used by businesses locating on the north-side of US 54. "They would look attractive to traffic on the new freeway, and indicate how easy it would be to get off quickly and find a place to park," she said.

In addition to the advantage of having a strong cultural identity and liberal arts college in town, Lindsborg showed a significant plus in having a large number of two-story businesses in the downtown district, in which the top story is rented out as an apartment.

"It helps your viability in downtown since it puts some residents in your midst since that's where they live," said economic director Annette Duncan. She also pointed out having the steady rental income helps with cash flow in slow periods for retail businesses.

The trip to Hesston seemed to be dictated largely by it having also been hit by a tornado, though 17 years ago in March of 1990. Even in that, however, there was little for the Greensburg visitors to relate to as city manager John

largely had only historic structures, and no lives.

"The twister missed our college, major industry schools, and senior citizen area," Walton commented. "So I guess we were a luckier than you were."

Also striking was the diminutive size of the business district for a town 3,200, barely stretching to block-and-a-half.

The most touching moment of the day occurred in lunch stop at Shire Restaurant on the north side Lyons.

Owner Bob Shirer opened the Friday noon by especially for the bus group serving all a taco salad priced as high as Matterhorn, followed by chocolate cream pie nearby thick.

Shirer later explain through several "tear-y" pauses, that he wasn't going to charge for the meal because the empathy he felt for Greensburg visitors. It set Shirer experienced much his family's farmstead 2 Halstead being wiped out 2 twister, also in early May, years ago.

If ever in the area, remind that the restaurant is located on North Highway 14 (Go Street). Again, in addition the food being delicious, portions are nearly as big Shirer's heart.



Photo by Mark Anderson/The Signal

Mark Buckley gave a running commentary from the front of the bus for much of the trip Friday, as here upon entering Sterling's Main Street.

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It was at that point Hewitt stated, "Maybe not so much what you want on Main Street, as what you don't want," a comment referencing the earlier visit to Lyons, a city who's downtown largely rings a majestic courthouse and its square. Buckley had gone to great pains to point out the local hardware store which had been allowed to rebuild on the west side of the square without reference to the brick and mortar façade of the other structures in the square.

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Janssen spoke of getting “something started soon” on reconstruction of the Twilight Theatre, and possibly locating the new Senior Center next door on the lot formerly occupied by Duckwalls as a point of convenience.

“I know you may be tired of hearing me talk about Canadian, Texas, but their theatre there is open all the time,” said Wedel. “Ours could maybe serve refreshments, rent videos, and serve as one more place for people to stop in and spend a moment.”

“Money is going to limit what we can do,” Janssen cautioned.

“But it doesn’t need to limit what we envision,” Hewitt added.

Specific spots visited:

*Avenue A Park in Hutchinson with its “mini-river walk” design, as well as the antiques district of South Main, where the streetscape of wide sidewalks and nostalgic street lamps is complete. All 13 blocks of Main Street will eventually be redesigned, though it’s being done in three-to-four block sections at a time.

Main contact person was city manager John Deardoff, who asked Hewitt at one point, “Are you leaning toward a more traditional looking business district?”

“That’s one approach we’ve had in mind, but that needs to be dictated by the business people themselves,” Hewitt replied.

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If ever in the area, remember that the restaurant is located on North Highway 14 (Grand Street). Seafood night every Friday, steaks on Saturday. Again, in addition to the food being delicious, the portions are nearly as big as Shirer’s heart.

Use of Funds

4-12

Establishing a KSBDC Outreach Center in Colby

February 15, 2008

- **Collaboration – Community Colleges and KSBDC**
- **Overview of KSBDC Program**
- **Impact of KSBDC Services**
Cloud County Community College
KSBDC Network
- **Use of Additional Funds**
- **Sample Contractual Agreement**
- **Sample Position Description/Announcement**
- **Community College Service Area**
- **Potential Funding Strategy for an Outreach Center**
- **Next Step**

Collaboration between Community Colleges and the KSBDC

- **Potential Opportunities with Community Colleges**
 - Outreach Center
 - Counseling and/or Training Center
 - Point of entry for entrepreneurial education and assistance
- **Sources of Funding**
 - Federal – U.S. Small Business Administration
 - Kansas Department of Commerce (KDOC)
 - Regional and Outreach Center Hosts
 - Economic Development Corporations, Chambers and Cities

Why would a Community College want to collaborate with KSBDC

- **It's an Investment**
 - It is an investment in the future of your community, service area, children, families, educational system and businesses.

 - It is an investment that enhances the economic viability of your community and the surrounding service area.
- **Connectivity**
 - A full-time counselor enhances the role of a community college in business assistance and entrepreneurship.

 - A full-time counselor meets and works with other resources in the region and state that will be used to respond to the needs of clients, a community, and a county.

 - SBDCNET provides market research to all SBDCs.

 - Provides a community college an opportunity to access and leverage other foundation dollars and programs that relate to entrepreneurship and business assistance.

 - Increased awareness of the capital food chain for startup and existing businesses.

Increasing Demand:

A recent article, "**Everyone Wants to Start a Business**", in *FORTUNE Small Business*, stated the following, "We are in the midst of the largest entrepreneurial surge this country has ever seen. According to the U.S. Small Business Administration's projections, nearly 672,000 new companies with employees were created in 2005. That's the biggest business birthrate in U.S. history; 30,000 more startups than in 2004, and 12% more than at the height of dot-com hysteria in 1996.



WSU CCCC OUTREACH CENTER KSBDC Clients Help Kansas' Economy Grow¹

March 30, 2007

WSU CCCC KSBDC helps create new businesses.

Long-term clients started **34 businesses** in year 2006.

WSU CCCC KSBDC helps create and save jobs.

Long-term counseling for small businesses and aspiring entrepreneurs helped generate **44 new jobs**, 16 full-time jobs and 28 part-time jobs and helped small businesses **save** an additional **167 jobs**, 57 full-time jobs and 110 part-time jobs in the year 2006.

WSU CCCC KSBDC helps increase sales.

Long-term counseling helped small businesses and aspiring entrepreneurs generate **\$3.48 million in new sales**.

WSU CCCC KSBDC helps create investment in our economy.

Long-term counseling helped **32** small businesses and aspiring entrepreneurs **obtain \$2.34 million in financing** which included **\$361,900 in equity injections** in the year 2006.

WSU CCCC KSBDC helps create more revenue than they cost the taxpayer.

Long-term counseling generated approximately **\$491.74 in state tax revenues for every \$1 the Kansas Department of Commerce (KDOC) spent on the WSU CCCC KSBDC program**. Overall, long-term counseling generated approximately **\$60.48 in federal tax revenues and \$10.96 in state tax revenues for every \$1 spent on the WSU CCCC KSBDC program** by all partners in the year 2006.

WSU CCCC KSBDC helps clients create more jobs than the average business.

Established businesses that received long-term KSBDC counseling experienced job growth of **16.42%** – compared to **1.0%** for **Kansas businesses in general**.

WSU CCCC KSBDC helps clients have faster sales growth than the average business.

Established businesses that received long-term KSBDC counseling attribute **100% of their sales growth of 18.93%** to **WSU CCCC KSBDC assistance** – as opposed to **5.2% sales growth for Kansas businesses in general**.

WSU CCCC KSBDC helps bring together federal, state and private economic development resources.

For every federal dollar that is spent on the KSBDC program, at least one non-federal dollar must be raised by the recipient KSBDC.

The **focus of the Kansas Small Business Development Center Network (KSBDC)** is to use a team approach to provide, high quality substantive services to small businesses in the areas of retention, expansion and startup. The KSBDC has been an integral player in economic development in Kansas since its inception in October of 1983. KSBDC clients create new wealth in Kansas by starting and growing businesses, creating and saving jobs, and accessing capital.

In 2006, the WSU KSBDC Network provided **745 hours** of free one-to-one counseling to **687 clients**, conducted **26 workshops** for **212 participants**, and responded to **707 information requests**.

The Kansas Small Business Development Center Network (KSBDC), **consisting of eight regional centers and two outreach centers**, is a unique infrastructure that combines public and private resources to help Kansans start, manage and grow their own businesses...promoting free enterprise and economic prosperity.

The KSBDC is a partnership program with the U.S. Small Business Administration, the Kansas Department of Commerce, Cloud County Community College, Emporia State University, Fort Hays State University, Garden City Community College, Greater Topeka Chamber of Commerce, Johnson County Community College, Manhattan Area Chamber of Commerce, Pittsburg State University, University of Kansas, Washburn University, and Wichita State University. The state-wide host for the KSBDC is Fort Hays State University.

For additional information about WSU CCCC KSBDC services, call 1-785-234-1435 ext. 324 or browse their website at www.webs.wichita.edu/ksbdc

¹Based on a response rate of 43.0 percent (295 of 687 clients)



CCCC ECONOMIC IMPACT CY 2003 - CY 2006

ITEM	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	TOTAL
New Businesses		13	32	21	34	100
New Jobs		48	118	45	44	255
Saved Jobs		178	284	106	167	735
Increased Sales (Million)		0.6	4.9	5.3	3.5	14
Clients Assisted with Financing		15	60	49	32	156
Financing (Million)		1.0	3.5	2.2	2.3	9
Equity Injection (Million)		0.2	1.1	0.7	0.4	2
Return On Investment (ROI):						
KDOC (EDIF) (\$ to 1)		356.06	764.74	1833.00	491.74	689.11
Federal - SBA (\$ to 1)		54.02	98.07	41.99	60.48	50.91
Total Funding (\$ to 1)		7.50	17.54	10.92	10.96	9.38
Job Creation % ¹		24.1 vs 1.1	31.5 vs 2.0	9.5 vs 1.2	16.4 vs 1.0	30 vs 0.46
Sales Growth % ¹		5.25 vs -1.7	29.1 vs 2.7	22.0 vs 3.8	18.9 vs 5.2	25.5 vs 1.64
Clients		88	172	149	0	409
Hours		397	914	785	0	2,096
Workshops		8	24	33	0	65
Attendees		55	273	277	0	605

¹ KSBDC Clients average change compared to the average change of all businesses in Kansas



What is the Office of Rural Opportunity?

The Office of Rural Opportunity is a new entity designed to spur rural community development in Kansas. Housed within the Kansas Department of Commerce, the Office will serve as a contact point for rural communities seeking assistance in the development of strategic plans to attract businesses, workers and investment. The Office will ultimately have four regional locations throughout Kansas, which will allow Office staff to maximize their time in the field and create a community-driven, bottom-up approach to rural development in Kansas.

How is the Office of Rural Opportunity structured?

The Office of Rural Opportunity currently has an office at Sterling College but will soon add offices at Colby Community College, Neosho County Community College and a soon-to-be-determined location in southwest Kansas, with a regional representative assigned to each location. This approach will allow Office staff to spend the majority of their time in rural Kansas communities rather than in Topeka.

Why are the Office of Rural Opportunity's four locations on college campuses?

The colleges at Sterling, Colby and Neosho have all volunteered space, staff assistance and other resources to the new Office of Rural Opportunity, creating a wonderful partnership for everyone involved. The new Office of Rural Opportunity benefits from low start-up costs and the proximity to the community colleges' incredible human and intellectual resources. Meanwhile, the community colleges benefit by getting their faculty and students involved in real-world community development planning and rural revitalization efforts.

With which other organizations will the Office of Rural Opportunity partner?

Because it is housed within the Kansas Department of Commerce, the Office of Rural Opportunity will have access to all of the Department's long-standing community and economic development services and resources. The Office will also partner with groups such as the Kansas Small Business Development Center, the Kansas Department of Agriculture and NetWork Kansas to provide comprehensive assistance to rural communities.

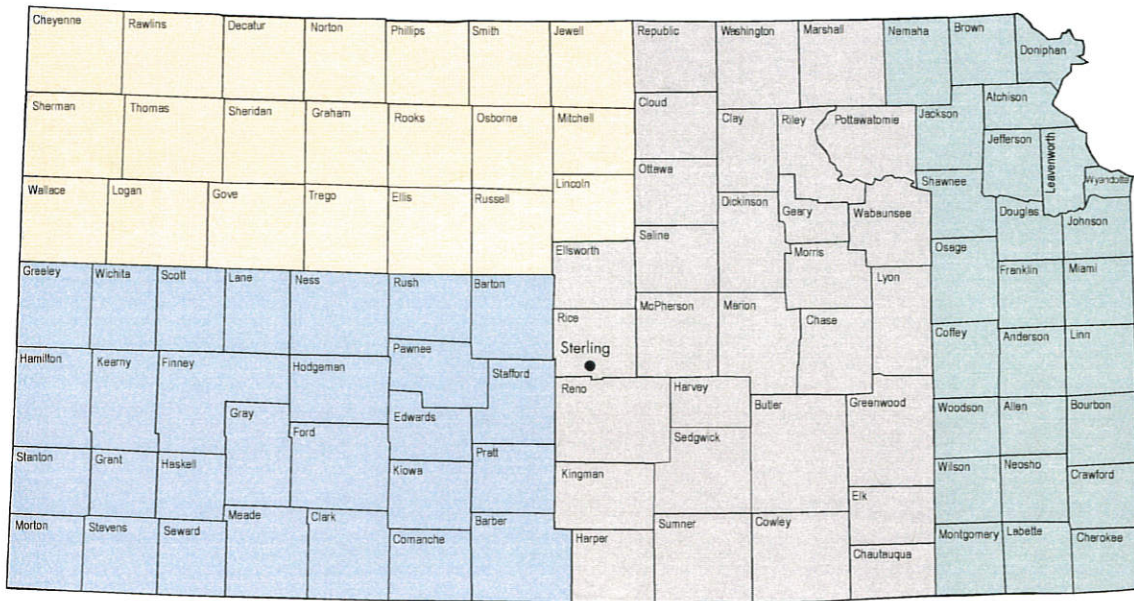
How does the Office of Rural Opportunity differ from other rural entities?

Many rural development organizations focus on luring businesses to rural communities through financial incentives. But the Office of Rural Opportunity takes a more holistic approach to rural development, focusing first on community development and strategic planning as a necessary precursor to business development. The Office will stress the importance of regional plans that incorporate volunteerism, grassroots activism and community pride.

Another key difference is that Office of Rural Opportunity staff will network with existing resources in Topeka and surrounding states, as well as those at the national level, to maximize financial and technical assistance for rural Kansas.

***Kansas Department of Commerce • Office of Rural Opportunity
125 W. Cooper Ave. • Sterling, KS 67579
(620)-204-0855 • rlippincott@kansascommerce.com***

Office of Rural Opportunity Regions



- Northwest Kansas
- Central Kansas
- Eastern Kansas
- Southwest Kansas


KANSAS
 DEPARTMENT OF COMMERCE
Office of Rural Opportunity

Renee L. Lippincott
 Office of Rural Opportunity Representative
 Kansas Department of Commerce
 125 W. Cooper Ave.
 Sterling, KS 67579
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 E-mail: rlippincott@kansasccommerce.com
KansasCommerce.com

Enterprise Facilitation

Enterprise Facilitation – Purpose: Implements a bottom-up approach to enhance and increase entrepreneurial business development in rural communities utilizing a facilitator and local board.

Dollars for enterprise facilitation are used to pay for training EF board members made up of local individuals working toward entrepreneurial business development in rural communities.

Legislation last year shifted funding for these programs from community development block grant and EDIF funding to five percent of the revenue from the sale of rural business development tax credits. KDOC has set up a pass through account that will allow the money generated by the five percent allowance to be divided equally between the five Enterprise Facilitation programs. The total amount each group receives will depend on the total amount of tax credits sold by the seven Regional Foundations; 100% of the dollars pass through the Department of Commerce.

Rules and regulations for this program have been drafted and are being reviewed by the Department of Administration and the Attorney General for review and approval. The next step will be a review by the Legislature and a public hearing.

Enterprise facilitation communities are in Western Kansas (Wichita, Scott, Lane, Kearny); quad area (Greenwood, Woodson, Wilson, Elk, Chautauqua and half of Cowley County; Northeast Kansas (Nemaha, Brown, Doniphan, Atchison and Jackson counties); Sunflower Enterprise Facilitation (Kiowa, Pratt, Kingman, Comanche, Barber, Harper counties); and Prairie Enterprise Project (Russell, Ellsworth, Barton and Edwards counties.)

MEMO

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DATE: February 26, 2007

TO: Ray Hammarlund, Director of Community Development

FROM: Becki Rhoades

REGARDING: Enterprise Facilitation Progress Report for Quarter Ending 12/31/06

Cumulative Outcomes: (Sept 02 – Dec 06)

As of 12/31/06	Total Client	Business Created	Business Retained	Business Expanded	Jobs Created	Jobs Retained*	Intros**	Avg Attendance
NE Kansas	327	29	4	7	100	14	1135	15
Prairie Enterprise	307	40	2	6	148	0	845	14
QUAD	761	80	4	22	202	46	1,003	23
Sunflower	201	26	7	14	96	18	624	10
Western KS	229	13	1	5	29.5	6	1402	6
TOTALS:	1825	188	18	54	575.5	84	5009	14

* Only began tracking as of Oct. 05

**Some projects stop counting after 1-year of operations

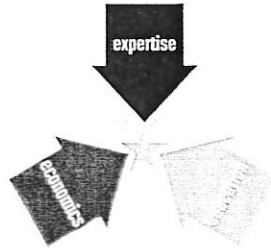
Please note: This report reflects the first time that Western KS is only reporting numbers since hiring their new facilitator Jamie Morphew. Does not include all previous statistics with Jamie's added on.

Funding Status: (Sept 02 – Dec 06)

As of 12/31/06

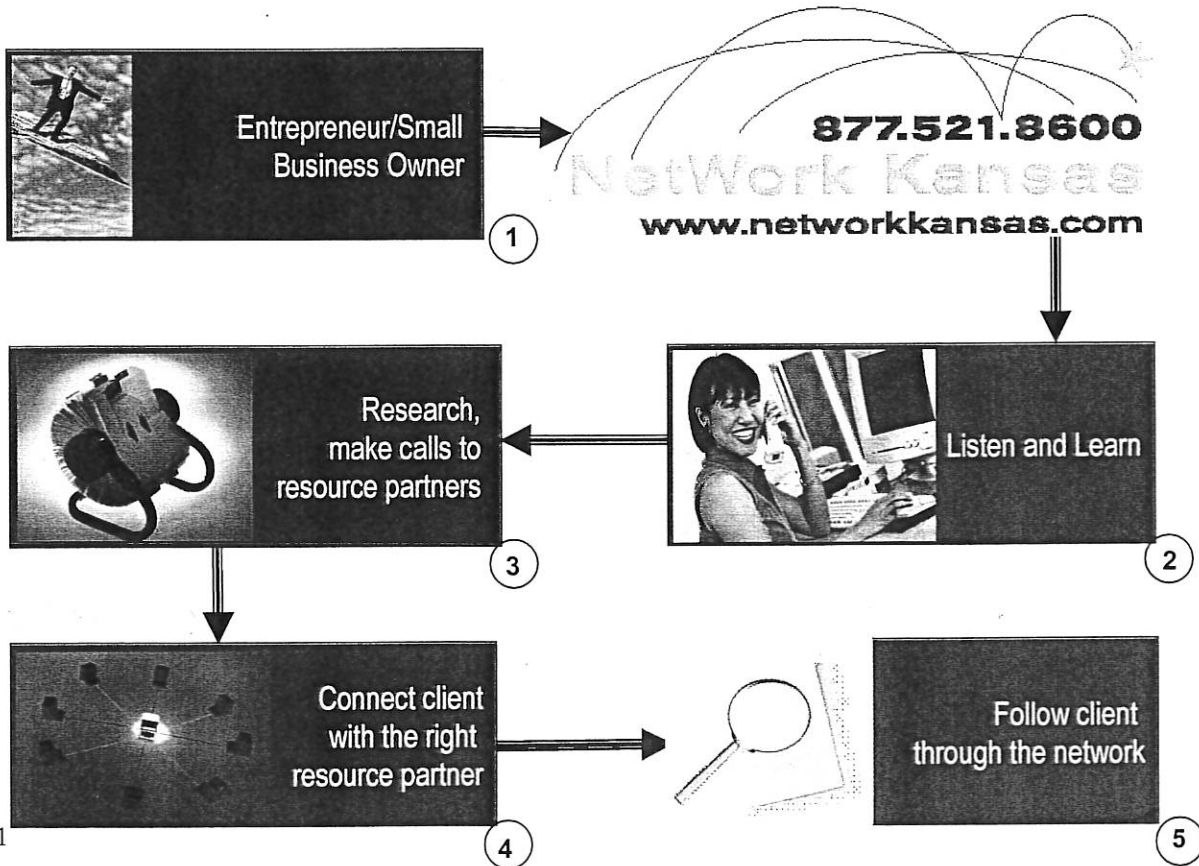
	State Exp	State Awd	Percent	Local Exp	Local Match	Percent	Total Exp
NE Kansas	\$110,000	\$125,000	88%	\$214,454	\$235,000	91%	\$324,464
Prairie Enterprise	\$110,000	\$125,000	88%	\$280,762	\$235,000	119%	\$390,762
QUAD	\$144,416	\$159,416	88%	\$331,974	\$252,208	132%	\$476,390
Sunflower	\$102,091	\$117,091	88%	\$338,803	\$363,433	93%	\$440,894
Western KS	\$91,134	\$126,134	72%	\$439,779	\$294,231	149%	\$503,913
TOTALS:	\$527,641	\$652,641	81%	\$1,605,772	\$1,379,872	116%	\$2,163,423

(Note: \$780,000 has been paid to the Sirolli Institute to conduct board and facilitator support duties per the start up contract)(State award includes previous awards and \$40,000 from FY05; \$20,000 from FY06 and \$15,000 from FY07. Local Match refers to the required match to receive reimbursement. Local expenditures refers to actual expenses)



Expertise

The NetWork Kansas network includes more than 400 Resource Partners statewide who are public sector or non-profit organizations providing business building services to entrepreneurs and small businesses. Entrepreneurs (1) are encouraged to call 877-521-8600 to speak with a NetWork Kansas counselor; the counselor then conducts a “listen and learn” session (2) to determine the entrepreneur’s exact needs. After these needs are understood, the counselor taps into a unique database of resource partners to identify the best person to fulfill their needs (3). After a connection is made between the client and the appropriate resource partner (4), the counselor tracks progress and engages additional resources, as required (5).





Resources for Starting or Growing Your Business

Education

NetWork Kansas partners offer a variety of seminars and workshops including how to start a business, tax workshops, business planning and more. Classes provided by our partners are listed on www.networkkansas.com under the tab, Entrepreneurial Education. In addition, NetWork Kansas is working with partners across the state to assess current entrepreneurial offerings with the objective of developing a vision for entrepreneurial education across the state.

Economic Resources

NetWork Kansas has more than thirty partners that provide loans and grants to entrepreneurs and small businesses. Partners include certified development companies, the seven regional economic development foundations, Mainstreet Kansas communities, USDA Rural Development, and others. Our resource network can also access additional matching dollars from NetWork Kansas through the following programs.

StartUp Kansas: StartUp Kansas was launched in August of 2006 to provide funding to small businesses in rural and distressed Kansas communities in the form of matching grants or unsecured loans matching the terms of the other financing provided by a NetWork Kansas partner working on behalf of the entrepreneur. Since its inception, StartUp Kansas has awarded more than \$420,000 in grants and loans to small businesses throughout rural areas of Kansas at a rate of a little over one business per month. These grants and loans have allowed businesses to leverage additional public and private funds totaling more than \$2 million.

E-Community Program: Focused on the big "E" in the realm of rural economic development—entrepreneurship—A NetWork Kansas E Community is a partnership that allows a town, a cluster of towns, or an entire county to receive seed money through donations from individuals or businesses within the community. Becoming a NetWork Kansas E community results in the following:

- Through the Entrepreneurship Tax Credit, a fund would be established for entrepreneurs and small business owners administered at the local level.
- An E Community may be a single community or a partnership of communities with a total population of 50,000 or fewer.

The NetWork Kansas E-Community pilot program recently named six communities who are already engaged in the process of developing the key components necessary to flourish in today's competitive environment and in so doing, are becoming more entrepreneurial.

Kansas communities named to participate in the program starting in 2008 include: Cowley County, Garnett/Anderson County, Great Bend/Barton County, Sterling/Alden/Rice County, Rawlins County, and Thomas County.

For more information about these programs and all the services offered by NetWork Kansas, visit www.networkkansas.com or call 877.521.8600.



Kansas Small Business Development Center (KSBDC) Program

Purpose

The KSBDC increases economic prosperity in Kansas by helping entrepreneurs and small businesses start and grow through professional counseling, training, and referral to other resources.

Target

The KSBDC network serves both existing and prospective small business owners and managers. The organization can work with any company which meets the SBA's definition of "small," which varies by industry, but are typically firms employing fewer than 500 people. KSBDC services are available to any small business or prospective owner, however, the organization places emphasis on those firms most likely to create economic impact through business creation, job creation, access to capital, and the growth of the tax base.

Benefits

The KSBDC network provides management consulting, training, and access to resources; the counseling approach is one of guidance and education, not doing the work for the client. Typically, these services will be offered in the areas of:

- startup assistance
- strategic planning
- access to capital
- marketing / sales
- human resources
- accounting / finance
- taxation
- buying and selling a business

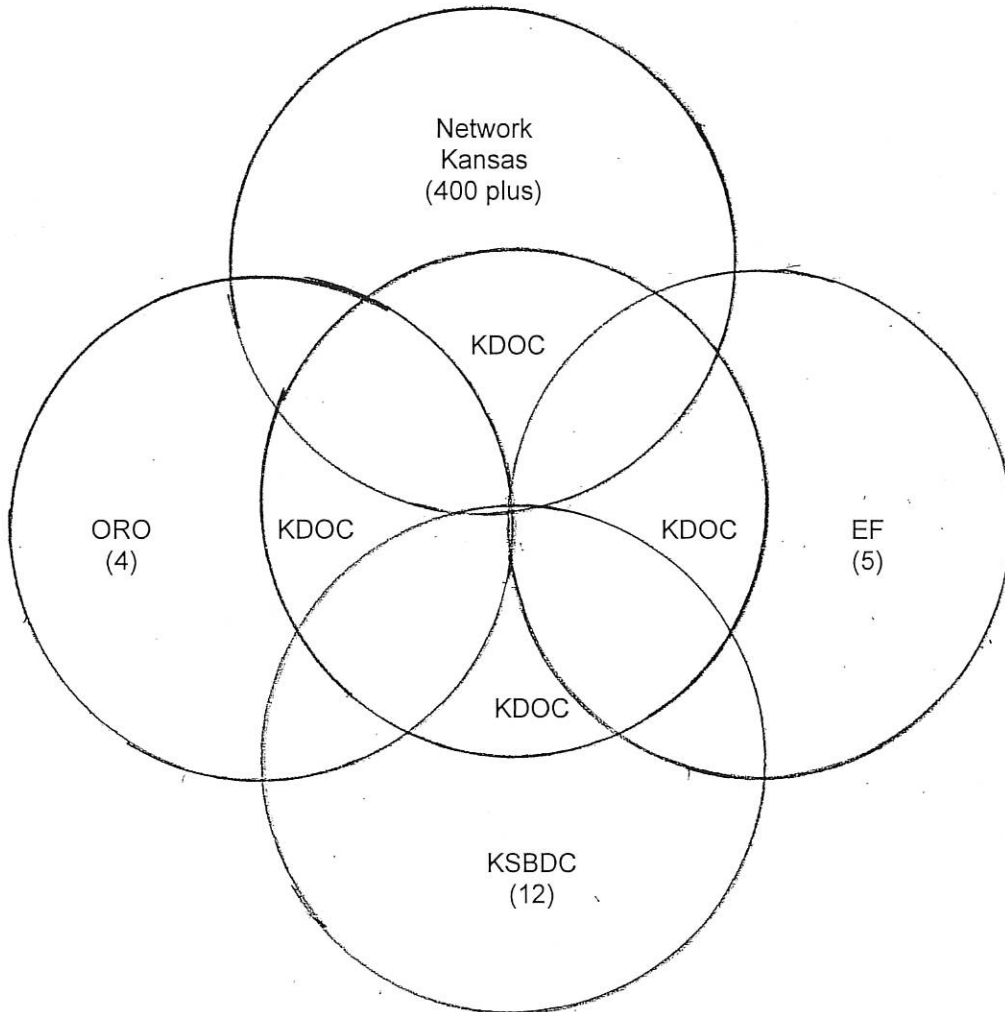
Clients are provided the important knowledge and resources necessary to compete in today's competitive and ever-changing business environment.

In the past 5 years, KSBDC consultants assisted 12,627 clients, and offered 1,569 workshops to 20,454 attendees. In addition, long-term counseling helped businesses generate \$303 M in new sales, create 5,267 jobs, save 6,442 jobs, access \$175 M in financing, and start 1,294 businesses.

Important Points

- The KSBDC has been an integral player in economic development in Kansas since its inception in October of 1983.
- The organization is focused on producing a tangible return on investment through tax base enhancements – the program is revenue positive and contributes greatly to the economies (through the small businesses served) of the communities of Kansas – an independent, third party quantification of ROI is conducted every other year.
- The KSBDC is a Resource Partner of NetWork Kansas and partners with many other organizations (Kansas Department of Commerce, chambers, main streets, economic developers, etc) in the state to greatly extend the reach of the program.

Collaboration



KDOC – Kansas Department of Commerce
ORO – Office of Rural Opportunity
EF – Enterprise Facilitation
KSBDC – Kansas Small Business Development Center

Senate Commerce Committee
February 12, 2008
Attachment 5-1