

Approved: 2 - 3 - 93
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairperson Wanda Fuller at 3:30 p.m. on February 1, 1993 in Room 423-S of the Capitol.

All members were present except:

Representative Gary Haulmark, excused

Committee staff present: Lynne Holt, Legislative Research Department
Bob Nugent, Revisor of Statutes
Ellie Luthye, Committee Secretary

Conferees appearing before the committee:

Frank Niles, Program Administrator, Community Strategic Planning Division
Department of Commerce and Housing
Marvin Kaiser, Director, Kansas Center for Rural Initiatives
Mark Bannister, Director, Docking Institute of Public Affairs
Anthony Redwood, Executive Director, Institute for Public Policy and
Business Research, University of Kansas

Others attending: See attached list

The Chair opened hearings on HB 2020, Community strategic planning grants, amounts and uses. She called upon Frank Niles to overview the bill. He stated the Department of Commerce and Housing, Community Development Division, administers the community strategic planning program which was initiated in FY '91 and is now being reviewed for amendment by HB 2020. (Attachment 1)

Next to testify before the committee was Marvin Kaiser. He stated the impact, the change and the momentum developing in many rural areas as a result of the Strategic Planning Act has been impressive. He asked that section (c) of HB 2020 as originally stated, be modified to retain the key role of the Regents universities in strategic planning. (Attachment 2) He also presented a letter to the committee from Janice Walker, Executive Director of Doniphan County Economic Commission. (Attachment 3)

The next proponent to appear before the committee was Mark Bannister who testified in support of HB 2020. He stated strategic planning was not a solution to all the ills of rural areas, however, it is a very productive tool in empowering rural areas to address their ills and act to shape instead of reacting to the future. (Attachment 4)

The Chair then called the next proponent, Dr. Redwood, to testify. He stated he supported the extension of the program and felt the amounts for each of the types of grants was reasonable and the provision for additional incentives for multi-county efforts to be an excellent one, however, he recommended a modification to the bill that he felt would maximize its effectiveness. (Attachment 5)

Following these presentations, the conferees stood for questions.

The Chair closed hearings on HB 2020. She stated the committee would have discussion and possible final action on HB 2020 on Tuesday, February 2nd. The meeting was adjourned at 4:50 p.m.

The next meeting is scheduled for February 2, 1993.

GUEST LIST

COMMITTEE: Economic Development

DATE: 2-1-93

[illegible]

TESTIMONY ON
The Kansas Community Strategic Planning Program

Presented to
a Meeting of
The House Economic Development Committee

By
Frank Niles
Program Administrator, Community Strategic Planning
Community Development Division
Kansas Department of Commerce & Housing

February 1, 1993

February 1, 1993
Economic Development
Attachment 1

THE KANSAS DEPARTMENT OF COMMERCE AND HOUSING, COMMUNITY DEVELOPMENT DIVISION, ADMINISTERS THE COMMUNITY STRATEGIC PLANNING PROGRAM WHICH WAS INITIATED IN FY'91. THE ORIGINAL LEGISLATION AUTHORIZING AND OUTLINING THE PROGRAM IS NOW BEING REVIEWED FOR AMENDMENT BY HOUSE BILL NO. 2020. THE FIRST PROPOSED CHANGE IS TO REDUCE THE CURRENT MAXIMUM PLANNING GRANT AWARD FROM \$20,000 TO \$15,000, AND TO PROVIDE FOR UP TO \$5,000 IN ADDITIONAL AWARD FOR EACH ADDITIONAL MEMBER OF A MULTI-COUNTY APPLICATION, WITH THE TOTAL AWARD NOT TO EXCEED \$35,000.

FOR THE TWO YEARS THE PROGRAM HAS BEEN IN EFFECT, THE AVERAGE PLANNING GRANT AWARD HAS BEEN \$16,500. DURING THIS TIME TEN MULTI-COUNTY PLANNING GRANT AWARDS HAVE BEEN MADE FOR AN OVER-ALL AVERAGE OF \$12,000. THERE IS CURRENTLY NO PROVISION FOR FUNDING MULTI-COUNTY AWARDS AT AN AMOUNT ABOVE \$20,000, WHICH SINGLE COUNTY APPLICANTS CAN RECEIVE. SEVERAL OF THE MULTI-COUNTY GRANT PROGRAMS EXPERIENCED COSTS IN EXCESS OF THEIR AWARDS, AND THIS PROPOSED CHANGE WOULD SERVE TO REDUCE OR ELIMINATE THE PROBLBEM, WITH ANY ADDITIONAL FUNDS IF NEEDED, COMING FROM SAVINGS OBTAINED BY REDUCING SINGLE GRANT APPLICATIONS TO A MAXIMUM OF \$15,000.

THE SECOND CHANGE WOULD REDUCE THE ACTION GRANT MAXIMUM AWARD FROM \$40,000 TO \$25,000, WITH UP TO AN ADDITIONAL \$10,000 FOR EACH ADDITIONAL COUNTY IN MULTI-COUNTY APPLICATIONS. ACTION GRANTS HAVE AVERAGED \$21,700 PER AWARD, AND \$9,100 PER COUNTY. AGAIN, MULTI-COUNTY GRANTEEES HAVE RUN SHORT OF FUNDS AND THIS PROPOSED CHANGE WOULD ADDRESS THE PROBLEM WITHOUT REQUIRING AN INCREASE IN TOTAL PROGRAM FUNDING.

THE PROPOSAL TO DROP THE LIMIT OF ONE PLANNING AND ONE ACTION GRANT PER COUNTY, WOULD ALLOW COUNTIES TO UPDATE THEIR PLANS AS NEEDED TO KEEP THEM CURRENT AND USEFUL AS TOOLS FOR CHANGE AND IMPROVEMENT. ALLOWING GRANTEEES TO RETAIN AND USE UNEXPENDED PLANNING GRANT FUNDS FOR PLAN IMPLEMENTATION ACTIVITIES WOULD FURTHER DEVELOPMENT EFFORTS AND COULD BE OFFSET WITH REDUCED ACTION GRANT AWARDS.

STRIKING SECTION (C) OF THE ORIGINAL LEGISLATION WOULD ELIMINATE DIRECT FUNDING OF UNIVERSITY SERVICES TO GRANTEEES, BUT STILL ALLOW GRANTEEES TO BUDGET UNIVERSITY PROVIDED TECHNICAL ASSISTANCE IN THEIR APPLICATIONS. ADDED TO SECTION (C) IS A PROVISION SETTING OUT REQUIREMENTS FOR KDOCH TO REPORT ON PROGRAM STATUS EACH YEAR.

THIS BILL WOULD ALSO AMEND K.S.A. 74-5098 BY ELIMINATING AN UN-NEEDED REFERENCE TO SUBSECTION (C) OF K.S.A. 74-5097. ADDITIONALLY AMENDED IS K.S.A. 74-50,110, BY THE ELIMINATION OF AUTHORIZATION FOR PLANNING GRANTS AFTER JULY 1, 1995, AND ACTION GRANTS AFTER JULY 1, 1996. THESE CHANGES ARE IN LINE WITH CONTINUATION OF THE PROGRAM FOR THREE ADDITIONAL YEARS.

AS A WHOLE, THIS AMENDMENT REFLECTS NEEDED CHANGES THAT WILL ALLOW THE PROGRAM TO CONTINUE TO PROVIDE MUCH NEEDED HELP TO KANSAS COUNTIES WHILE RETAINING A SIMPLE AND AFFORDABLE APPROACH AT THE STATE LEVEL.

HOUSE BILL NO. 2020

By Joint Committee on Economic Development

AN ACT concerning community strategic planning; relating to the amount of community development grants and the use of such grants; amending K.S.A. 74-5097, 74-5098 and 74-50,100 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 74-5097 is hereby amended to read as follows: 74-5097. (a) Subject to the provisions of appropriations acts and in accordance with the provisions of this act, the department of commerce may provide planning grants and action grants to city-county economic development organizations located in nonmetropolitan counties, for the development and implementation of county-wide economic development strategy plans.

(b) The committee shall establish grant eligibility criteria, and shall administer the competitive selection process for the awarding of planning grants and action grants. The committee shall submit its recommendations for grant awards to the secretary of commerce for final determination and award. Planning grants shall be for the development of county-wide economic development strategy plans. No planning grant shall exceed ~~\$20,000~~ \$15,000 for any single county economic development plan. An additional award for an amount not to exceed \$5,000 may be granted for each additional county participating in the development of a joint multi-county strategic economic development plan, except that under no circumstances shall the total planning grant exceed \$35,000. Any city-county economic development organization receiving a planning grant shall be required to provide additional funds equaling 25% of the amount of the planning grant. Action grants shall be for the

implementation of countywide economic development strategy plans. Action grants shall not exceed \$40,000 and \$25,000 for any single county action grant application. An additional award for an amount not to exceed \$10,000 may be granted for each additional county participating in a joint multi-county action grant implementation effort, except that under no circumstances shall the total action grant exceed \$65,000. Any city-county economic development organization receiving a grant shall be required to provide additional funds equaling 100% of the amount of the action grant. Not more than one planning grant and one action grant may be awarded with respect to any one county. The secretary of commerce and housing may authorize a recipient of a planning grant, who has unexpended funds from such planning grant, to apply such funds to the implementation of the recipient's approved strategic economic development plan. Any unexpended planning grant funds applied to the implementation of such strategic economic development plan shall require the appropriate 100% match. Application of the unexpended planning grant funds to the implementation of the strategic economic development plan may result in the reduction of any subsequent action grant awarded to the recipient.

(c) The secretary of commerce may enter into an agreement with Fort Hays state university, Kansas state university, and the university of Kansas to provide services to city-county economic development organizations awarded grants to assist in developing, organizing and implementing community strategic plans in cooperation with cities and counties in the region and to encourage local initiatives to the greatest extent possible. Such services include, but are not limited to, the development of survey instruments, data analysis, facilitator training, report preparation, assistance, on-site visitation and consultation services and followup and related services for the development of countywide economic development strategy plans.

(d) Prior to July 1 of each year, the chairperson of the

~~community-strategic-planning-grant-committee-shall-present-an
annual-report-of-activities-under-this-act-to-the-joint-committee
on-economic-development.~~

(c) Each year the Kansas department of commerce and housing shall present a status report of activities under the provisions of this act to the joint committee on economic development.

Sec. 2. K.S.A. 74-5098 is hereby amended to read as follows: 74-5098. City-county economic development organizations can use planning grant proceeds for the acquisition of technical assistance for strategy development activities, identification of specific projects, and other related services from the educational institutions mentioned in subsection (c) of K.S.A. ~~1990~~ ~~Supp.~~ ~~74-5097~~ or other economic development service providers. City-county economic development organizations can use action grants for hiring of technical assistance, implementation, evaluation and reassessment of strategies, purchasing of equipment and other services, and economic development activities undertaken by public-private partnerships as authorized for cities and for counties pursuant to law. Action grants shall not be used for the purchase or lease of land or the purchase, lease or construction of buildings or payment of salaries and benefits for permanent employees of any public or quasi-public agency.

Sec. 3. K.S.A. 74-50,100 is hereby amended to read as follows: 74-50,100. (a) No planning grants ~~or action grants~~ shall be awarded under this act on or after July 1, ~~1993~~ 1995.

(b) No action grants shall be awarded under this act on or after July 1, 1996.

Sec. 4. K.S.A. 74-5097, 74-5098 and 74-50,100 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE

TESTIMONY ON H.B. 2020

February 1, 1993

Marvin Kaiser

Director, Kansas Center for Rural Initiatives and
Co-Director Kansas Center for Community Economic Development

I am pleased to have been invited here to speak about the Strategic Planning Act H.B. 2020. As part of the original team of people in Kansas who began working on strategic planning in 1989-90, we are very pleased the legislature is considering renewing support for assistance to rural areas through this act. The impact, the change, and the momentum developing in many rural areas as a result of this program has been impressive.

Marion County has been an impressive example of the success of this program. The outlook and perspective this county has regarding its future is energizing. The communities in the area are working in true partnership - leaders from Hillsboro are working to develop new business and attract industry for the county; the community coordinator in Marion is working to obtain a housing grant to serve smaller communities in the county in addition to Marion; leaders in Peabody and Gossell are working throughout the county and now the region in developing the area as a regional tourist attraction promoting the rich history and culture of the area; business leaders in Florence are working with business and industry throughout the county to match up goods and products that can be moved within the county to reduce expenses and support local businesses. These are only a few examples of one counties success with the strategic planning program, additional initiatives which are being tried by counties are attached.

Yes this program has had great success and some restarts or setbacks. For most counties strategic planning has not been an easy process. We have worked with counties who have struggled over issues like: involving more citizens in their work - creating an open process; communities who have struggled not to lose their identity through a countywide process; counties who have struggled when working through a multi-county process; conflict in counties due to politics, history, economics, environment, geography and other factors. Yet in all cases, the program has demonstrated what Kansans do best - use their own skills and energy to solve their problems.

February 1, 1991
Economic Development
Attachment 2

The role of the universities through all of these successes and struggles has been:

- to provide an outside perspective;
- review their work and products and provide feedback;
- to provide open settings where they can work through their problems with other counties and experienced community leaders;
- to help them develop strategies and techniques which could lend to a more successful process;
- to share with them information, resources, knowledge; and
- to be available at all times for assistance with their work - beyond simply a 12 month agreement.

Kansas will have at the end of the current strategic planning cycle, 44 counties who have been involved in this program. Many of these counties will keep the ball rolling with strategic planning, others who are unsatisfied with the results will begin the process again, and still others will put the plan away.

Recommendation

We would propose that communities and counties who are entering this program under House Bill 2020 be assisted at the same level of services provided to communities and counties in the past. To not provide these services, leaves these communities with less resources and assistance, which may jeopardize the success of their process. Therefore, we propose that section (c) of H.B. 2020, as originally stated, be modified to retain the key role of the Regents universities in strategic planning. Additionally, we propose that the legislation be supportive of continued assistance with past program recipients.

Rationale

KCCED has spent the past two years working with 29 of these counties. As many of these counties transition out of the planning and action grant program we believe there is a responsibility to assist these counties in maintaining this continuous process they have started. As we have all heard before, "strategic planning is not a one time thing", it is a continual process of adjusting to new demands to help counties remain competitive.

Given the number of counties who have been involved in strategic planning we need to be proactive in working with them to maintain the momentum, the planning efforts, and work with them in charting a future. When state funding is no longer available for these counties this will be an important challenge for county and community leaders to keep the process going. Rather than abandon the process, we feel communities will be best served through available assistance.

The ability of the universities to respond to communities without support of H.B. 2020 is limited. KCCED has been able to create a partnership with the state, the U.S. Department of Commerce Economic Development Administration, and the university to provide community development assistance. Support from the state has been a vital ingredient in our ability to provide a wide range of services available to counties. We believe it is this level of support that has been a significant factor in the success of the

KCCED ACCOMPLISHMENTS:

KCCED has developed local partnerships with communities and counties through strategic planning assistance. The KCCED has worked in a cooperative effort with the Kansas Department of Commerce and Housing to provide ongoing technical consultation with thirty counties involved in preparing county-wide or multi-county plans for 1991 and 1992. This consultation has varied from county to county. In most counties the consultation involved direct site visits with steering committees or with public working groups.

KCCED staff provided feedback and guidance on topics such as: organizing for strategic planning, increasing public awareness and participation, data availability and analysis, survey development and analysis, task force development and training, key issue identification, and developing action plans.

Counties assisted in 1991 included Nemaha, Lincoln/Mitchell, Marion, Sumner, Cowley, Geary, Labette, Allen/Coffey/Woodson, Anderson, Ottawa/Cloud and Reno. All of these counties completed strategic plans. Counties assisted in 1992 include: Meade/Gray/Haskell, Graham/Rooks, Elk, Doniphan, Wilson/Neosho, Chase/Lyon, Franklin, Miami, and Crawford. Some of these counties have completed their strategic plan and others either have developed draft planning documents or are working in task force groups.

**SYNOPSIS OF CURRENT SERVICES
PROVIDED BY KCCED WITH KDOC&H SUPPORT:**

Technical Guidance-

- County Social/Economic/Demographic Profile
- Assistance with Data Interpretation

Consultation Services -

- Regional Problem Solving Sessions (2 a year)
- Development of Self Help Guide for Community Planning Efforts
- Written Reports to Counties and KDOC&H

Quarterly Consultations -

- Consult with Steering Committees (4 a year)
 - planning process, progress of county, public participation, task force groups, publicity, data sources and analysis, key issues, developing action plans
 - these consultation included sites visits, letters, telephone calls
 - provide reports to counties and KDOC&H

Other Services - (recipients choose one of the following)

- Process Review and Report
- Special Training Session
- Plan Review and Critique

Strategic Planning Resource Center -

- Library of information on strategic planning including, books, tapes, articles available for use by community/county leaders.

SAMPLES FROM COUNTY STRATEGIC PLANS ACTION INITIATIVES

Tourism and Image Promotion:

- Develop driving and walking tours through Cloud and Ottawa counties and develop a historic village along Highway 81 using old buildings from each county (Strategic Plan for Cloud and Ottawa Counties, 1992);
- Conduct a feasibility study for a theme park based on military hardware (Geary County Strategic Plan, 1992);
- Utilize local area farms as agricultural vacation farms (long-term Bed & Breakfast) and for tour groups and hunting (Geary County Strategic Plan, 1992);
- Work with the Glacial Hills Tourism Council to help promote and develop the Excursion Train and Pony Express Route from St. Joseph to Marysville and study the feasibility of developing Log Chain Cabin on the old Pony Express route (Brown/Nemaha Strategic Plan, 1992);
- Visitors' Information and Education Center off of U.S. 156 at the edge of Cheyenne Bottoms to provide education and information not only on the Bottoms and waterfowl but on wetlands ecology as well (Barton County Draft Plan, 1992);
- Promote the Santa Fe Trail and the American Discovery Trail, both of which traverse Barton County, by developing bus tours, driving tours and tourist trains (Barton County Draft Plan, 1992);
- Work with the American Railway Corporation to develop a twice a week rail trips from Council Grove to Dodge City (Barton County Draft Plan, 1992); and
- Record an oral history of the Lincoln and Mitchell counties which can be used to educate local school children and tourists on how the counties were settled and how the settlers lived (Strategic Plan for Lincoln and Mitchell Counties, 1992).

New Business Development

- The strategic plan for Cloud and Ottawa counties calls for the creation of an entrepreneurial program at Cloud County Community College that contains elements of formal classroom education plus experimental learning (Strategic Plan for Cloud and Ottawa Counties, 1992).
- Bourbon County talks about developing an incentive program for youth start-up businesses called "Youth Entrepreneur Grant Program" (Strategic Plan for Bourbon County Economic Development, 1992).
- Labette County plans to investigate implementing a business entrepreneurship class at the secondary school level (Labette County Strategic Plan, 1992).
- Woodson County wants to encourage entrepreneurs to replace retiring merchants (Woodson County Strategic Plan, 1992).

Strengthening Local Efforts

- Identify local citizens in Harper County interested in local government and form a Citizen Participation Organization (Draft Strategic Plan for Barber and Harper Counties, 1992);
- Inter-local government meeting in Harper County that would consist of monthly meetings between the county, city, school district, township, hospital districts, soil conservation, and county health to discuss shared concerns (Draft Strategic Plan for Barber and Harper Counties, 1992);
- Identify and cultivate the current and/or retired "superstars" of nationwide economic development corporation directors to form a super stars committee (Geary County Strategic Plan, 1992);
- Increase public awareness through a coordinated, theme-media campaign that will increase positive feelings, broaden the knowledge about the county, and improve cooperative efforts between the various factions in the county (Strategic Plan for Bourbon County Economic Development, 1992); and,
- Develop an award to be given to the individual and business who promote the Barton County community concept (Draft Barton County Strategic Plan, 1992).

Regional Approaches to Economic Development

- Pottawatomie County plans to promote regional cooperation by meeting with various area development organizations to consider a fully-integrated regional approach to economic development (Strategic Plan Pottawatomie County, 1990).
- Allen County plans a feasibility study to establish a regional or statewide electronic bulletin board for the exchange of economic development information (Allen County Strategic Plan, 1992).
- Ellsworth and Rice counties want to increase county cooperation through administrative cooperation, combination of general services (road maintenance), combination of purchases and insurance pooling (Ellsworth and Rice Counties Strategic Plan, 1992).

Financial Capital

- Brown and Nemaha counties also seek bank involvement. Their plan proposes to set up a Lender Commitment Program with area financial institutions which commits loans for economic development purposes (Strategic Plan for Brown and Nemaha Counties, 1992).

Human Capital - Education

- Reno County's plan developed action activities for a youth mentoring program, tech-prep program, and industry internships. Reno County wants to expand the alliance between education and industry through these youth programs (Vision 2000: A Strategic Economic Development Plan for Reno County, 1991).
- Cowley County also wants greater partnership between business and education. Their approach includes "adopt a classroom", mentor program, shadow program, awareness seminars/mini conferences and establishing a business-education coordinator (Focus on the Future: Cowley County's Strategic Economic Development Plan, 1991).
- Bourbon County proposes to improve business and education alliances by creating a business and industry learning center at Fort Scott Community College. Their business/education partnership would involve a "building on campus to house a two-way interactive telecommunications lab, downlink satellite, conference and seminar rooms and staff to teach TQM, Just In Time, SPC, and related new tools of high performance management" (Strategic Plan for Bourbon County Economic Development, 1992).

Infrastructure

- Ford County plans to expand an existing technology - a digitized service directory - to serve as a one-stop source of information in multiple languages on information about available health services, housing, new and small business support, child care, tourism and more (Ford County Strategic Plan, 1992).
- Phillips County recommends the county-wide development of interactive two-way fiber optics capabilities for their school systems (Strategies for Tomorrow: A Strategic Plan for Economic Development in Phillips County, 1992).

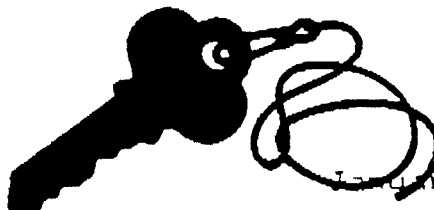
Quality of Life

- Phillips County is considering the expansion of a scholarship program to increase the health care work force (Phillips County Strategic Plan, 1992).
- Wallace County plans to pay for the training of emergency medical technicians serving the county (Strategic Plan for Wallace and Greeley Counties, 1992).
- Recruitment of medical doctors is a key point of Greeley County's health care strategy (Strategic Plan for Wallace and Greeley Counties, 1992).
- Anderson County was also concerned about the availability of doctors and plans a recruitment and retention program aimed at medical doctors (p. 63, Anderson County Strategic Plan, 1992).

Technology/Innovation

- Cowley County plans to develop ties with KTEC's New Regional Centers for the Transfer of Manufacturing Technology...and make efforts to tie aerospace focus with KTEC's federal grant to form an industry specific network among metal fabricators and other suppliers to the aerospace industry" (p. 9, Focus on the Future: Cowley County's Strategic Economic Development Plan, 1991).

DONIPHAN COUNTY IS OPEN FOR BUSINESS



January 29, 1993

The Honorable Wanda Fuller
House Economic Development Committee
Kansas House of Representatives

Dear Ms. Fuller:

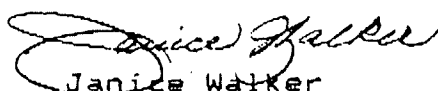
It has been brought to my attention that the House Economic Development Committee is holding hearings on the community strategic planning act, H.B. 2020.

Doniphan County is currently participating in this planning process and we are pleased to see that you are considering continued funding for this program. We believe that in this age of world economy and rapidly changing technology, every community must think realistically about their future and be able to adapt to change.

However, we are concerned that as you review H.B.2020, you are considering eliminating the partnership that exists between the Kansas Department of Commerce & Housing, the universities, and the communities. Doniphan County has found that this assistance from the universities to be a valuable tool for the following reasons: (1) The problem-solving sessions allowed us to network with other communities and share information on what is working and what is not working, (2) The statistical data provided by the university gave us a basis for assessing existing needs, (3) The pre-application workshops gave us an idea of what the KDOC & H was expecting, and (4) It is critical that the local organizing person who is there on a day-to-day basis to monitor and push leaders into action has someone that is willing to discuss problems and offer guidance and technical assistance. This is the oversight provider.

It is our opinion that the role of the universities in providing assistance and acting as a catalyst for networking is a necessary ingredient for the success of the program and should be continued.

Sincerely,


Janice Walker
Executive Director

February 1, 1993

Economic Development

Doniphan County Economic Development Commission Attachment 3

P.O. Box 325 Elwood, Kansas 66024 913-365-2604 FAX: 913-365-0025



THE DOCKING INSTITUTE OF PUBLIC AFFAIRS

FORT HAYS STATE UNIVERSITY 600 PARK STREET HAYS, KS 67601-4099

TESTIMONY IN FAVOR OF

HOUSE BILL 2020

February 1, 1992

**Mark Bannister, Director
Docking Institute of Public Affairs**

February 1, 1993
Economic Development
Attachment 4

"Preparing Today's Citizens for Tomorrow's Kansas"

Telephone: (913) 628-4197 FAX: (913) 628-4013

Strategic Planning and Economic Development

Madam Chairperson and Committee Members:

I appear before you today in support of the major provisions of H.B. 2020. In the late 1980's and early 1990's the common cry of state and local governments has been "Don't shove mandates and programs down our throats!" Cities and counties at the bottom of the ladder have particularly felt stepped upon and abandoned. One program which has been viewed as an exception to this rule is the State of Kansas Community Strategic Planning Program. Cities, counties, and people at the grassroots level have felt empowered as opposed to stepped upon when working with this program.

The Community Strategic Planning Program has provided state assistance in local grassroots planning. It has allowed rural communities and counties the opportunity to create a vision for their own future. A relatively small amount of state money is spurring excitement, community activity, and community cooperation.

In talking informally with legislators, I have been asked, "What tangible benefits can you point to from community strategic planning?" There are visible benefits:

For example, health care has evolved into a significant concern as the number of rural physicians dwindles. Strategic planning plays a significant role in seeking to combat this problem. To accommodate the absence of physician services in significant parts of Wallace county, as a result of a joint plan, Wallace and Greeley counties entered into a cooperative arrangement. Wallace agreed to construct a new health clinic to serve affected areas, while Greeley agreed to staff the new clinic with one of its resident doctors. In further efforts to address their health care needs, Wallace county plans to train more emergency medical technicians and build an airstrip to facilitate air access

into Wallace county by physician specialists and Lifeflight service. Other strategies, such as those in Greeley and Ellis call for active recruitment of new physicians. Ellis county is considering a "grow your own" program to finance medical students in return for a future commitment to practice in the county. Community involvement in doctor recruitment is also a byproduct of strategic planning in a number of counties.

Water, a fundamental building block for economic development, was one of the primary focuses of the first Ellis county plan. Many of the successful efforts of the City of Hays at both water conservation and expansion of supply have resulted from that plan. (These successes spurred new goals and a 1993 strategic plan.) Strategic planning has led to discussions in Haskell County about ground water depletion and long-term economic survival.

Assuring that a county's governmental entities operate efficiently and cooperate with one another is an area where counties seek to create a hospitable environment for economic expansion. The strategic plans of both Phillips and Greeley Counties stress that the city and county commissioners, along with the school board, should meet on a regular basis. Greeley's plan progresses one step further to suggest that governing bodies engage in cooperative purchasing. Preliminary planning activities for Norton and Decatur Counties have brought about the suggestion of joint purchasing there also. In a substantial number of cases, a county-wide strategic planning process has brought together cities, school districts, and counties to work jointly on the planning process.

Many strategic plans include substantial components that focus on economic development through strategies to increase the flow of external dollars into the counties. Wallace and Greeley counties plan to increase their tourist potential by constructing

tourist/welcome centers to be located on Highway 27 in Sharon Springs and Tribune, and to print brochures highlighting scenic areas. Meade County's plan has led to an organized effort to promote Meade State lake and local tourism attractions located on Highway 54.

Ellis county's 1987 plan led to the cooperation between city, county, and private entities which has led to the building of two commercial manufacturing spec buildings which have both been sold to out of state companies.

Education has been examined and affected by strategic planning. Ford County planning participants point to the existence of a strategic planning task force on higher education as one of the key mechanisms in that county's having an organized reaction to the closing of St. Mary's of the Plains. In Gray County, the county-wide survey showed school board members that a sizable number of the citizens of one school district were unhappy with the physical condition of that district's high school. Discontent had been rumored, but strategic planning brought dissatisfaction to the public eye.

Some of the most intriguing strategic planning involves the use of telecommunications. For rural Kansas counties, the telecommunications revolution has become an avenue for delivery of educational programs that are cost-effective. To enhance existing ITV usage, both Wallace and Greeley counties plan to create interactive video clusters in their schools for the purpose of secondary and adult education. Meade, Gray, Haskell, Rooks, and Graham Counties have also discussed rural telecommunications during their planning processes. Meade county used interactive television to conduct a strategic planning town-hall meeting in three communities simultaneously. Strategic planning was the vehicle to bring parents and business people

into the schools to demonstrate the school districts' technology.

Ellis county has the ambitious plan to create the infrastructure necessary to support an "information park/teleport" to "attract and retain businesses."

Telecommunications is also an important component of its regionalism focus.

Telecommunication technologies are the fibers that productively link Ellis County with smaller communities, the smaller communities with themselves, and most importantly, the entire region with the rest of the world.

For many counties, strategic planning has lead to an ongoing process of economic development and the creation and funding of a county-wide economic development office to coordinate the economic development efforts of the county.

While many of these strategies are key parts of community plans for the future, the real innovation of strategic planning is that communities are developing public and private sector priorities and are seeking to use a combination of original and established strategies to address each community's unique environment. Strategic Planning has brought parties to the table with each other who have not traditionally cooperated. It has provided valuable business, educational, labor, and marketing data for counties and cities.

Strategic planning is not a solution to all the ills of rural areas. It is however, a very productive tool in empowering rural areas to address their ills and act to shape instead of reacting to the future. Therefore, I strongly support the continuation of the Kansas Community Strategic Planning Program.

**TESTIMONY ON HB 2020:
COMMUNITY STRATEGIC PLANNING ASSISTANCE**

**Anthony L. Redwood
Professor of Business, and
Executive Director, Institute for Public Policy
and Business Research,
The University of Kansas**

**Presented to the
House Economic Development Committee
Kansas Legislature**

February 1, 1993

**February 1, 1993
Economic Development
Attachment 5**

Background

The Community Strategic Planning Assistance Act of 1990 authorized the Secretary of Commerce to enter into an agreement with the University of Kansas, Kansas State University, and Fort Hays State University to assist communities with strategic planning for economic development. This act was in response to a growing awareness that rural communities in Kansas were, and still are, facing significant declines in employment and income, among other measures, and that a contributing factor was a lack of expertise in strategic planning for economic development and absence of leadership in some rural communities.

As articulated by the authors of the legislation, the Joint Committee on Economic Development and Kansas Inc., the Community Strategic Planning Assistance Program had as its purposes to:

'build and enhance economic development capacity at the local and regional levels; develop and sustain long-term commitments for local economic development efforts; encourage broad-based local and multi-county development strategies; improve the ability of local communities to effectively use economic data and analysis; and maximize state investments in economic development through more efficient use of limited resources.'

The appropriations bill allocated \$15,000 to each of the three universities per year which enabled KU and KSU to expand the activities of the Kansas Center for Community Economic Development (KCCED). This center was established in 1988 by a grant from the U.S. Economic Development Administration as a joint effort with KSU to assist communities with economic development.

Since 1989, KCCED has been extensively involved in community strategic planning, providing guidance and technical support to counties state-wide, advising them on issues such as: how to organize; how to design or modify their planning processes; who should be involved; how to involve the media; what data should be considered; how to design and analyze surveys; and a host of other such issues. In the first two years of the Community Strategic Planning Assistance Program, this type of technical assistance has been extended to 34 counties across the state (see attached summary of KCCED strategic planning activities).

These efforts have been successful and we believe that we have one of the most effective programs in the nation to support community strategic planning. In fact, this year KCCED received a national award from the National Association of Management and Technical Assistance Centers for having the most innovative economic development program of any university in the United States for aiding community economic development. We would like to continue our support for community strategic planning and, in this regard, support a modified version of HB 2020.

Support for HB 2020

First, we support the extension of the program. Strategic planning is not a one-time event, rather an ongoing, dynamic process. Simply because a plan has been completed does not mean that the community is done with the plan, and now only faces implementation. Nor does it mean that the community no longer needs university assistance in elaborating on, revising, and updating the plan, as well as assisting communities with implementation. Most Kansas communities have made a significant first step, but they will need to go back and revisit their plans, and evaluate where they are as conditions change. Ongoing funding for planning and implementation is essential, and as we understand the bill, it would allow previously assisted communities to receive subsequent planning and implementation grants.

Second, we feel that the amounts for each of the types of grants are reasonable, and the provision for additional incentives for multi-county efforts is an excellent one.

While we support these elements of HB 2020, we recommend a modification to the bill that we feel will maximize its effectiveness. Our recommendation and underlying rationale follow.

Recommendation

We propose that a modified version of Sec. 1 (c) of the initial legislation be included in HB 2020. Specifically, that

'The Secretary of Commerce may enter into an agreement with the Regents universities to provide services to city-county economic development organizations awarded grants to assist in developing, organizing, and implementing community strategic plans in cooperation with cities and counties in the region and to encourage local initiatives to the greatest extent possible. Such services include, but are not limited to, the development of survey instruments, data analysis, facilitator training, report preparation assistance, on-site visitation and consultation services and follow-up, and related services for the development and implementation of county-wide economic development strategic plans. Funding for such agreements shall not exceed \$20,000 per year for each Regents university, and shall be matched in real dollars (not in-kind) with non-state funds.'

Rationale

It is important that all communities, particularly small, rural communities, have access to external expertise and advice regarding the formulation and implementation of strategic economic development plans. This is a difficult process, and many, if not most, communities do not have the necessary capacity to make it work. Most people have only a vague conception of strategic planning, and even those who do, would recognize that strategic planning at the community level is far more difficult than at the small business level. Furthermore, most communities do not have the necessary data on local, as well as state/national/global economic conditions upon which to make informed decisions.

For these reasons, there are significant knowledge and resource deficiencies facing communities undertaking strategic planning that perhaps only the universities can meet. Universities do have the appropriate resources (knowledge, databases, etc.), however they are not funded to undertake the necessary activities associated with disseminating them. What we need is funding for one staff person which gives us the capacity to capitalize on our expertise and experience, and disseminate these resources to communities. Without stable funding from the state, it would not be possible to make a commitment to a staff person, and this would greatly limit our capacity to quickly respond to communities.

The Institute has made a long-term commitment in assisting in economic development at the state and local levels. Our commitment, leveraged with supplemental funding from the state and federal government, provides the optimal funding partnership and level necessary to effectively respond to the economic development needs of Kansas communities.

The decline of most rural communities in Kansas is still a significant problem. Recent studies at IPPBR reveal that per capita incomes in rural Kansas are 32% less than those in metropolitan areas, and that virtually all (95%) of the labor force growth in the state during the 1980s was in metropolitan areas. We hope to continue our commitment to assisting rural communities with strategic planning for economic development. To do so, the state needs to continue its commitment to us as well.

KANSAS CENTER FOR COMMUNITY ECONOMIC DEVELOPMENT

A. Strategic Planning Assistance: Summary 1991 - 1992

<u>County/Community</u>	<u>Type of Assistance Provided</u>
Allen/Coffey/Woodson	technical consultation
Anderson	technical consultation
Barton	facilitation, data analysis, survey analysis
Bourbon	technical consultation, data analysis
Brown/Nemaha	technical consultation
Chase/Lyon	technical consultation, Assisted in writing action plan
Cowley	technical consultation progress, survey analysis
Crawford	technical consultation
Doniphan	grant application assistance, technical consultation
Douglas	data analysis, consultation
Elk	technical consultation
Ellsworth/Rice	technical consultation, direct facilitation
Ford	direct facilitation, data analysis, survey analysis, review/update consultation
Franklin	technical consultation
Geary	technical consultation
Graham/Rooks	technical consultation
Greenwood	technical consultation orientation workshop-withdrew from the program
Labette	technical consultation
Leavenworth	consultation
Lincoln/Mitchell	technical consultation, direct facilitation
McPherson	grant application assistance, direct facilitation, data analysis
Marion	technical consultation
Meade/Gray/Haskell	technical consultation, youth leadership (Meade)
Miami	technical consultation
Montgomery	review of strategic plan
Ottawa/Cloud	technical consultation, direct facilitation
Pratt	consultation on reviewing and updating plan
Reno	technical consultation, data analysis
Sherman	grant application assistance, direct facilitation, data analysis, survey analysis
Stafford	grant application assistance, direct facilitation
Sumner	technical consultation
Wilson/Neosho	technical consultation

Note: In most cases, technical consultation was funded by the KDOCH agreement with KCCED, while the other types of assistance were funded by the community planning grants.

B. Strategic Planning Workshops have been conducted by KCCED to educate community leaders about strategic building and to build support for participation in the state's community strategic planning program. KCCED accessed internal, non-state funding sources for these workshops. During the 1989/90 period workshops were held in the following locations: Dodge City, Great Bend, Garden City, Liberal, Colby, Pratt, Hutchinson, Parsons, and Lawrence.

C. Planning Grant Pre-Application Regional Workshops were hosted by KCCED, with participation from the Department of Commerce and Housing, to further educate community leaders about the specifics involved in getting organized for strategic planning, to encourage them to participate in the state's Community Strategic Planning program, and to better equip them with the information they needed for a successful application. KCCED accessed internal, non-state resources to fund these workshops. Dates and locations of these workshops follow.

September 20, 1991	Pratt
September 27, 1991	Topeka
November 18, 1992	Newton
November 19, 1992	Manhattan