

Approved: 3/25/93  
Date

## MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on March 15, 1993 in Room 123-S of the Capitol.

Members present: Senators Burke, Downey, Feleciano, Jr., Gooch, Harris, Kerr, Petty, Ranson, Reynolds, Steffes and Vidricksen

Committee staff present: Lynne Holt, Legislative Research Department  
Jerry Ann Donaldson, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Bob Nugent, Revisor of Statutes  
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee: Frank Niles, Community Development Division, Department of Commerce and Housing  
Joseph Aistrup, Assistant Director, Docking Institute of Public Affairs, Ft. Hays State University  
Charles R. Warren, Ph.D., President, Kansas Inc.

Others attending: See attached list

### Hearing on HB 2020, Community strategic planning grants, amounts and uses

Lynne Holt, Analyst, Legislative Research Department, reviewed the provisions of **HB 2020** introduced by the Joint Committee on Economic Development. She stated the Community Strategic Planning Assistance Act was enacted by the 1990 Legislature. The Act encourages cities and counties to work together for the development and implementation of countywide economic development strategy plans. The program is available for non-metropolitan counties. The counties of Douglas, Leavenworth, Sedgwick, Shawnee, Johnson and Wyandotte are defined as metropolitan counties. Grants are administered by the Department of Commerce and Housing with oversight guidance from the five member community strategic planning grant committee. **HB 2020**, as amended by the House Economic Development Committee, reduces the total amount that a single county may receive for a planning grant from \$20,000 to \$15,000, and additional awards, not to exceed \$5,000, for each additional county participating in a joint multi-county strategic economic development plan. No more than a total of \$35,000 may be awarded for a multi-county planning grant. Not more than one planning grant may be awarded to any one county or combination of counties. The House reduced the total amount from \$40,000 to \$25,000 that a single county may receive for action grants. More than one action grant may be awarded to a county, however, the \$25,000 cap applies to total awards. 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 action grant totals exceed \$65,000. The Secretary of Commerce and Housing may authorize the use of unexpended planning grant moneys for the implementation of an approved strategic plan, given the appropriate 100 percent match. The provision authorizing the Secretary of Commerce and Housing to enter into agreements with Ft. Hays State University, Kansas State University and the University of Kansas to provide technical assistance to grant recipients in the development, organization and implementation to their strategic plans was deleted. Prior to September 1 of each year the Kansas Department of Commerce and Housing shall present a status report of activities to the Joint Committee on Economic Development. The bill extends the award of planning grants to July 1, 1995, and the award of action grants to July 1, 1996.

Frank Niles, Community Development Division, Kansas Department of Commerce and Housing, informed the Committee they have just finished going through the third round of applications for planning and action grants and the program is proceeding as planned. The five member community strategic planning grant committee will meet on March 25 to consider applications and make recommendations of awards to the Secretary of Commerce. The Secretary of Commerce makes the final decision.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m. on March 15, 1993.

In answer to Committee questions, Mr. Niles replied the program defines "community" as a county, and getting the communities in a county to work together is most important. Of the \$445,000 funded for the Kansas Community Strategic Planning Program, \$45,000 was divided between Fort Hays State University, Kansas State University and the University of Kansas to provide technical assistance to grant recipients.

The Committee expressed interest in finding out how much the program costs. It was suggested that the Department of Commerce and Housing develop a viable, quantifiable system to track the effectiveness of the program, and to develop objectives and eligibility requirements to support the objectives.

Joseph A. Aistrup, Assistant Director, Docking Institute of Public Affairs, Fort Hays State University, explained each county develops its own objectives. Success or failure of the program is measured by how they meet their objectives. He supported the major provisions of HB 202. He requested Sec. (c) be reinserted, however, if it was not reinserted, a new section be added to enable the Kansas Department of Commerce and Housing to reimburse the universities for their expenses on a per activity basis to allow the universities to continue to oversee strategic planning efforts and provide the universities with the ability to assist local communities who are seeking pre-application strategic planning information, see Attachment 1.

Dr. Charles Warren, President, Kansas Inc., in response to a committee question, replied 77 counties, on their own or through the program, have developed, or are developing, a strategic program. Ten new applications have been received this year. Twenty-two counties will not have had an opportunity to participate if the program sunsets July 1, 1993.

Senator Gooch moved to adopt the minutes of March 8 and the minutes of the 8:00 a.m. meeting on March 9, 1993. Senator Kerr seconded the motion. The motion passed.

The Committee meeting was adjourned at 9:00 a.m.

The next meeting is scheduled for March 16, 1993.

## GUEST LIST

COMMITTEE: SENATE COMMERCE COMMITTEE

DATE: 3/15/93

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# THE DOCKING INSTITUTE OF PUBLIC AFFAIRS S

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

**TESTIMONY IN FAVOR OF**

**HOUSE BILL 2020**

**MARCH 15, 1993**

**Joseph A. Aistrup, Assistant Director  
Docking Institute of Public Affairs**

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

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

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Attachment 1-1*

## **Strategic Planning and Economic Development**

I am appearing in support of the major provisions of H.B. 2020. Continuing the Kansas Community Strategic Planning Program is necessary, because rather than mandating from the top down to the localities, the Kansas Community Strategic Planning Program empowers localities either regionally or by county to identify priority problems within their own communities and to delineate a unique plan of action to solve these problems.

The Community Strategic Planning Program has provided the needed incentive of state financial assistance for local grassroots planning. It has given our rural communities, acting at the county level, the opportunity to create a strategic vision for their own future. It is true, that a relatively small amount of state money is spurring excitement, activity, and cooperation in our rural communities. Just as important, this program has produced tangible benefits.

For example, health care has evolved into a significant concern as the number of rural physicians has dwindled. Strategic planning plays a significant role in devising schemes to combat this problem. For example, to deal with the absence of physician services in a large area within Wallace county, Wallace and Greeley counties entered into a cooperative arrangement as the result of a joint plan. Wallace County agreed to construct a new health clinic to serve the affected area, while Greeley County 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 to build an airstrip to facilitate access into Wallace County by physician specialists and Lifeflight service. Other strategies, such as those in Greeley and Ellis counties 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 requirement for economic development, was one of the primary focuses of the first Ellis County plan. Many of the successful efforts by the City of Hays for both water conservation and expansion of supply have resulted from that plan. (These successes spurred the Hays community to pursue new goals and a 1993 strategic plan.) Strategic planning has led to discussions in Haskell County about the relationship between ground water depletion and their long-term economic survival.

Assuring that a county's governmental entities operate efficiently in cooperation with one another is an example of an area where counties can work 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 members, should meet on a regular basis. Greeley County's plan progresses one step further to suggest that the governing bodies of local units 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 engage jointly in the planning process.

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

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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 other local tourism attractions located on Highway 54.

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

Education has been examined and affected by strategic planning. Ford County's 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 College. In Gray County, the county-wide survey showed school board members that a sizable number of the residents of one school district were unhappy with the physical condition of that district's high school. Discontent with the facilities had been rumored, but the strategic planning process brought the dissatisfaction to the public eye.

Some of the most intriguing strategic planning goals 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 instructional television 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 each other, and most importantly, the entire region with the rest of the world.

For many counties, strategic planning has led 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 who have not traditionally cooperated to the table with each other. 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 their futures instead of merely reacting to the march of time. Therefore, I urge you to support strongly the continuation of the Kansas Community Strategic Planning Program.

Our first priority at the Docking Institute is the continuation of services in support

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of the strategic planning program, because of its ability to enable rural counties to chart their own vision of the future. We have played an active role in facilitating the strategic planning or in overseeing this process in most of the Western Kansas counties that have received strategic planning grants. Depending on the number of counties receiving strategic planning grants in this last round, we expect to be facilitating strategic planning in another five to eight Western Kansas counties in the coming months. We feel our role at the Docking Institute has been, and will continue to be important for the success of this program.

However, we are not totally satisfied with the content of the H.B. 2020 as reported out of the House. Specifically, we are concerned about the deletion of Section (c). This section was an important component of the prior bill for two reasons. First, it enabled Fort Hays State University, along with the University of Kansas and Kansas State University, to develop the capacity to facilitate and serve the strategic planning program. This capacity would not have developed without the resources that were provided by the original program. Without continued financial support, the universities' abilities to continue to serve the strategic planning program will be curtailed. Second, the oversight process provided for in Section (c) is critical to ensure the credibility of the strategic planning process. The oversight process allows the counties engaged in strategic planning to obtain another expert opinion and to vent their concerns to a third party who is detached from the process in that county. While in most cases these concerns are minor in character, the fact that a third party is present to oversee the process and to address any county concerns lends an added degree of creditability and legitimacy to the strategic planning process.

We at the Docking Institute would ask that if Section (c) can not be reinserted into H.B. 2020, that a new section should be added to H.B. 2020 to enable the Kansas Department of Commerce to reimburse the universities for their expenses on a per activity basis. This will allow the universities to continue to oversee strategic planning efforts and provide the universities with the ability to assist local communities who are seeking pre-application strategic planning information.

Thank you for permitting me to speak to you. I will answer any questions that you may have.

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