

**Leveraging our Foundations and  
Designing the Future:**

**A Kansas Economic Renaissance**

***The 2007 Kansas Economic Development  
Strategic Plan***

Prepared by



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## ***Executive Summary***

*K.S.A. 74-8002 – Kansas, Inc. shall oversee the formulation of economic development policy and strategic planning for the state. . .*

In accordance with K.S.A. 74-8002, the 2007 Economic Development Strategic Plan, entitled *Leveraging our Foundations and Designing the Future: A Kansas Economic Renaissance* provides 43 strategies accomplished through 98 recommendations intended to strategically position Kansas for long-term economic growth.<sup>1</sup> The Strategic Plan is the result of a yearlong process, driven by sound, fundamental research and tested with business input throughout the state. The Executive Summary provides an outline of the vision, missions, strategies, and recommendations.

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### ***The Vision***

***Kansans will notably increase personal and business wealth and improve our quality of life by focusing on our inherent and emerging strengths.***

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### ***Manufacturing – Aerospace and General***

***Mission – Promote the ongoing competitiveness and growth of the manufacturing industry in Kansas.***

#### **Strategy 1 – Remain competitive in aerospace and general manufacturing through trained talent.**

- 1-1 Provide funding and resources to support the state-of-the-art training center currently being constructed (Jabara/National Center for Aviation Training) and its training programs for jobs in Kansas. Recommend the state invest at least \$5.5 million per year for the next six years (\$33.0 million total) in infrastructure, equipment, and curriculum support.
- 1-2 Develop and provide funding for original equipment manufacturers (OEM) and their local suppliers training and retraining efforts. Target a portion of economic development dollars for aviation and manufacturing talent development through a streamlined training fund program geared for today's companies and economy. Through business input, develop a program that assists manufacturing companies train workers through quick state approval and responsive systems.

#### **Strategy 2 – Continue commitment to aviation research.**

- 2-1 Continue to support advanced research and development through ongoing funding of \$5.0 million per year to further develop the National Institute for Aviation Research (NIAR) at Wichita State University (WSU) and its proven expertise in existing and new products in aviation technology.

#### **Strategy 3 – Compete for aerospace and general manufacturing expansion projects.**

- 3-1 Develop a long-term economic development funding strategy for manufacturing projects. Create a competitive state policy to address major state incentives for jobs and/or facilities for aerospace and manufacturers bringing high-wage jobs and infrastructure to Kansas.

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<sup>1</sup> Strategies and recommendations are specifically listed by section and number for the reader's convenience. This order does not imply specific priorities within the plan, as all strategies and recommendations must be evaluated on their own merits.

**Strategy 4 – Develop incentives for attracting capital investment, job growth, and diversification within the manufacturing sector.**

- 4-1 Develop a business and tax climate, workforce development system, and technology infrastructure to address the needs of both small- and broad-based manufacturers throughout the state.

**Strategy 5 – Understand the needs and issues of the manufacturing sector in regards to workforce, infrastructure, research and development, and the attraction and retention of manufacturers of all sizes.**

- 5-1 Explore the development of an interactive, electronic portal with the Information Network of Kansas (INK) designed to capture and provide access to information pertinent to the manufacturing sector, in particular allowing both small and large manufacturers, as well as the state, to monitor the sector vitality and better anticipate the needs and issues associated with the sector.

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***Rural Development and Agriculture***

***Mission – Enhance the prosperity of rural Kansas by developing innovative solutions recognizing local and regional strengths to ensure the quality of life in rural areas.***

**Strategy 6 – Create a rural development model that provides a holistic, integrated approach based on four key pillars (capital, access, leadership, and benchmarking). The model should use incentives as the engine that drives integration.**

- 6-1 The Office of Rural Opportunity should be restructured and positioned at the highest possible level to become the centerpiece of a new integrated rural development structure. The Office will be recognized as the lead agency for rural development in Kansas with a mission to provide an integrated, coordinated and seamless approach for all rural development initiatives. The Office will develop a transparent, clearly understood methodology built around incentives to drive integration of the key pillars (capital, access, leadership, and benchmarking). Enhanced funding should be provided in the state budget for the administrative requirements of the Office.
- 6-2 Create a Division of Leadership within the Kansas Department of Agriculture, as capacity building or leadership must be a key component of rural development. Funding should be provided in the state budget for the administrative requirements of the Division.
- 6-3 Develop a coordinated incentive structure to reward communities, businesses and individuals for using the new integrated structure. The Office of Rural Opportunity would develop the framework surrounding the incentive structure.
- 6-4 Benchmark our efforts and progress in rural Kansas. Through marketing and awareness, rural areas will increase the visibility of successes and increase the awareness of their business atmosphere and lifestyle.
- 6-5 Enhance funding to \$1.0 million per year for the agricultural loan portfolio within the Department of Commerce.
- 6-6 Utilize and support the potential of Rural Opportunity Zones to play a key role in incentives that would help communities invest in their own future with the state as a partner.

**Strategy 7 – Address technology infrastructure needs in rural Kansas, including broadband, Internet access and wireless voice access.**

- 7-1 Study, map and enhance the broadband infrastructure of the state. Increase broadband Internet access and the capacity to move large amounts of data securely. Urge the private sector to respond to broadband service gaps as they are identified.
- 7-2 Assure through regulator mechanisms such as eligible telecommunications carrier designation and a tax structure that rewards investment, that wireless coverage is available throughout Kansas.

**Strategy 8 – Grow existing businesses and encourage the creation of new businesses in rural Kansas.**

- 8-1 Encourage the ongoing use and support of Network Kansas to facilitate entrepreneurship, promote rural outsourcing rather than traditional outsourcing, develop value-added industries based on agricultural commodities, utilize regional strengths and cooperation, and develop proactive business succession efforts.

**Strategy 9 – Kansas should remain a leading agricultural state.**

- 9-1 Policymakers can encourage state officials, agencies, farm organizations, and commodity groups to continue overseas market development and trade promotion programs.
- 9-2 The state can assist local government in the development of bioterrorism contingency plans that strategize around anticipated disruptions by providing guidance, technical assistance, needed financial resources, and overall coordination between the multiple jurisdictions likely to be involved.
- 9-3 Ensure university research is aligned with ongoing and future opportunities in the application of strategic technologies such as genetic engineering, environmental solutions, and conservation technologies, with the intention to apply or commercialize these opportunities.

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***Professional, Scientific, and Technical Services***

***Mission – Recognize and support the role of services as a core industry in growing the Kansas economy.***

**Strategy 10 – Ensure all graduates are informed and prepared for professional, scientific, and technical service jobs in Kansas, particularly in STEM (Science, Technology, Engineering, and Math) fields.**

- 10-1 Develop partnerships between businesses and secondary educational institutions to design curriculum that prepares students for jobs in Kansas. Utilize successful career curriculum alignment programs, such as the Olathe 21<sup>st</sup> Century High Schools program and design a template for statewide application.
- 10-2 Promote the statewide use and business involvement with the Kansas Career Pipeline to encourage student exploration into careers and educational paths in Kansas. Encourage contact with Kansas businesses through internships and job shadowing.
- 10-3 Incorporate entrepreneurship, leadership, innovation and customer service training into our education system.

**Strategy 11 – Differentiate Kansas as an entrepreneurial state and improve capital formation for the service industry.**

11-1 Embrace technology and innovation to develop entrepreneurial and startup business opportunities in the service industry.

**Strategy 12 – Support and develop tourism in both urban and rural areas.**

12-1 Focus tourism initiatives through an aggressive marketing/branding plan based on both destination tourism and business input.

12-2 Devise a dedicated funding stream to assist in developing tourism initiatives on a statewide basis through the collaboration of the state, associations and private industry organizations.

**Strategy 13 – Address the needs of both the military and government services in general.**

13-1 Fund the Governor’s Military Council within the state budget at a level of \$500,000 per year. The Council is charged with accommodating all military growth in the state and fostering additional military growth.

13-2 Align government employment and compensation to be flexible and competitive with private labor markets.

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***Energy and Natural Resources***

***Missions – Energy – Implement a State Energy Plan that emphasizes growth value to producers and consumers; promotes energy efficiency and conservation; and promotes research and development for alternative energy technology. Water – Implement a State Water Plan that coordinates the management, conservation, and development of water resources by providing recommendations on how the state can best achieve the proper use and control of water resources.***

**Strategy 14 – Adopt recommendations specific to economic development brought forth in both the State Energy Plan and the State Water Plan.**

14-1 Foster coordination between the State Energy Plan and the State Water Plan.

**Strategy 15 - Kansas will become an energy processor (value-added) in a balanced manner.**

15-1 Production, distribution and wholesale/retail sales must be a key component of our energy portfolio.

15-2 While conservation is a key component, we must use current energy assets to build a bridge to future energy opportunities.

15-3 Kansas must add value in a collaborative manner in the areas of energy generation, refinery, transmission and storage, specifically addressing oil and natural gas, bio-fuels, wind and nuclear energy.

**Strategy 16 – Recognize the importance of the oil and gas industry to the Kansas economy and continue to support and promote its development.**

16-1 Recommend studying and realigning the property tax credit offset on the severance tax with the goal of maintaining and attracting capital into the oil and gas industry, while maintaining or increasing state revenues.

**Strategy 17 – Encourage policies for investment in both traditional and emerging energies that optimize our energy strengths, in the areas of development, conservation, efficiency and renewable energies.**

- 17-1 Develop and coordinate an E-85 distribution structure that would attain a presence throughout Kansas.
- 17-2 Design incentives and policies to encourage research and development for energy and enhanced access to capital for energy development.

**Strategy 18 – Address reservoir and aquifer management and restoration in Kansas.**

- 18-1 Recognize and develop strategies to address the management and restoration of the state's reservoirs.
- 18-2 Recognize and develop strategies to address the management and restoration of the state's aquifers.

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***Bioscience***

***Mission – Make Kansas the most desirable state in which to conduct, facilitate, support, fund and perform bioscience research, development and commercialization, to make Kansas a national leader in bioscience, to create new jobs, foster economic growth, advance the scientific knowledge and improve the quality of life for the citizens of the state of Kansas.***

**Strategy 19 – Increase the quantity of high quality bioscience research that has commercial relevance for Kansas.**

- 19-1 A key role for the Kansas Bioscience Authority (KBA) is to bridge the gap in translating innovation between pure bioscience basic research and the more applied and development-focused technology needs of the state's bioscience industry.

**Strategy 20 – Foster the formation and growth of bioscience startups.**

- 20-1 The KBA will partner with other economic development organizations to provide one-on-one consulting services to high potential early-stage bioscience companies with the goal of preparing them to raise capital and go to market.

**Strategy 21 – Facilitate bioscience corporate expansion and attract new-to-Kansas bioscience corporate activity that grows and strengthens the function of specific clusters of excellence.**

- 21-1 Working with its state and local partners, the KBA will facilitate the retention and attraction of bioscience companies in the state.

**Strategy 22 – Develop and enhance partnerships for the growth of biosciences throughout the state.**

- 22-1 The KBA's motto recognizes that its public, private and academic partners are often at the forefront of efforts to expand bioscience research and development, foster the formation and growth of startups, and lead local corporate expansion and attraction efforts.

**Strategy 23 – Develop and achieve recognizable measures of success in the biosciences.**

- 23-1 The KBA will orient its investments and measure its success based upon achieving a handful of outcome metrics by 2019 that denote national leadership in the biosciences.

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## ***Business and Tax Climate***

***Mission – Create a tax and regulatory structure that is competitive and conducive for the growth of existing and new businesses of all sizes.***

### **Strategy 24 – Remove barriers and be competitive for capital as it relates to business climate.**

- 24-1 Consider implementing a form of universal expensing or 100 percent accelerated depreciation of all capital investment in Kansas, similar to the High Performance Incentive Program (HPIP), but applied to all businesses without regulatory barriers.
- 24-2 Study the effect of a reduction or elimination of the corporation income tax and the income taxation of capital gains.
- 24-3 Study the erosion of the property tax base and our property tax valuation methods.

### **Strategy 25 – Create the opportunity for more efficient government.**

- 25-1 Provide incentives and remove barriers to allow for cooperation between local government, state government, and other entities. Examine and apply best practices when addressing the opportunity for more efficient government. Collaboration efforts must be initiated from the local level and not forced upon locals by the state. Hold cities and counties harmless.
- 25-2 Encourage the increased participation with the Information Network of Kansas by all state and local government entities to improve government efficiency and provide access to government information and services at all levels.

### **Strategy 26 – Reduce state and local regulatory barriers to business.**

- 26-1 Develop and promote methods to reduce local and state barriers to a quality business atmosphere, such as reducing multiple licensing within and across communities, cities, counties, and the state.
- 26-2 Develop a statewide network of task forces to improve the business and regulatory climate at the city, county and state levels.
- 26-3 Move towards using technology from the state to provide electronic services to meet local government needs per their request.

### **Strategy 27 – Develop a tax structure, incentives, and regulations that are business-friendly and competitive on a local, state, national, and international level.**

- 27-1 Create a contingency fund of \$40 million to be used at the discretion of the Department of Commerce to provide flexibility and funding above and beyond the current range of incentive programs to compete with other states and countries that provide large incentives for existing and new businesses and projects.
- 27-2 Create a cross-agency team comprised of the Kansas Department of Commerce, Kansas Technology Enterprise Corporation, Kansas, Inc., Kansas Bioscience Authority, and Network Kansas to review existing and proposed regulations to ensure that they are not unnecessarily impeding economic development.
- 27-3 Routinely study and benchmark parameters regarding our tax and regulatory structure and report recommendations to the Governor and Legislature.

### **Strategy 28 – Attract and retain national corporate headquarters in Kansas.**

- 28-1 Formalize what Kansas is doing right by targeting national headquarters and continuing to equalize state incentives.
- 28-2 Prioritize relevant elements of the existing strategic plan, including improving air travel connections, supporting local enterprise development, and assisting local firms in becoming multi-state firms.
- 28-3 Consider new initiatives targeted to headquarters by preparing targeted place marketing materials and outreach campaigns.
- 28-4 Consider new initiatives of broader significance, including strengthening benefit recapture or claw back rules, efforts toward developing a cooperative policy on border competition, and providing for agency disclosure by site selection consultants operating in Kansas.

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### ***Workforce Development***

***Mission – Create a demand-driven workforce development system that meets the needs of the business community.***

### **Strategy 29 – Enhance the structure of the customized training system to meet the immediate specialized needs of businesses.**

- 29-1 Use state resources to design and implement customized training programs that deliver skilled employees to qualified requesting companies in a timely and cost effective manner.
- 29-2 Establish an executive management position with administrative and oversight responsibilities to oversee specialized workforce training programs. Employment will be shared between the Department of Commerce and Board of Regents.
- 29-3 Approval for all viable workforce projects will come from the Secretary of Commerce and the President & CEO of the Board of Regents.
- 29-4 Create an executive management position over workforce development at each postsecondary technical education institution that reports directly to the President of the respective institution to design and implement customized workforce training.
- 29-5 Create an infrastructure that establishes a seamless partnership between the Regional Directors of Workforce Services (Commerce) and the executive management positions over workforce development at each postsecondary technical education institution.
- 29-6 Designate \$12-15 million in funding that supports the customized training for this strategy.

### **Strategy 30 – Align the education system with the needs of industry through funding incentives and the tangible partnering of state educational institutions with industry opportunities.**

- 30-1 Support the Postsecondary Technical Education Authority in aligning community and technical college programs with the demands of businesses.
- 30-2 Encourage a structural funding change that provides incentives for colleges to offer high-demand, high-cost courses and special funds allowed for expensive equipment purchases.
- 30-3 Support the Kansas Technical College and Vocational School Commission.

30-4 Routinely study and benchmark the alignment of all levels of the educational system with the demands of businesses.

**Strategy 31 – Build capacity by retaining and attracting a skilled and educated workforce.**

31-1 Ensure the state equips primary and secondary students with the skills necessary to pursue education and employment opportunities, with the focus being on STEM (Science, Technology, Engineering, and Math) fields.

31-2 Support and facilitate business interaction with postsecondary students through scholarships, internships, and job shadowing. Businesses should be an active partner with educational institutions in regards to career curriculum, guidance, and opportunities and could be awarded with potential tax incentives or credits.

31-3 Provide incentives that encourage students to remain in Kansas for postsecondary education and careers.

31-4 Design a Leadership Kansas-type program that incorporates entrepreneurial and leadership experience into our educational system.

31-5 Market business and career opportunities in Kansas to all prospective individuals.

31-6 Market postsecondary technical education opportunities and careers by targeting students, parents, educators and counselors.

31-7 Study and develop workforce solutions for the aging population and immigrants.

**Strategy 32 – Encourage and provide lifelong learning opportunities.**

32-1 Provide an educational continuum that allows students of all ages to seamlessly transition through all levels of education and training.

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***Technology and Innovation***

***Mission – Utilize science and technology to leverage and support existing and new economic opportunities.***

**Strategy 33 – Address capital formation and access to capital markets on a local, state, and federal level.**

33-1 Attract venture capital to Kansas through Heartland BioVentures, a partnership between KBA (Kansas Bioscience Authority) and KTEC (Kansas Technology Enterprise Corporation).

33-2 Support regional Angel investor networks by attracting and providing incentives for Angel investors.

**Strategy 34 – Build a stronger research and development base in Kansas.**

34-1 Recruit, support, and retain eminent scholars in key areas of research strategically linked to science and technology-based economic advancement.

34-2 Improve competitiveness in pursuit of federal funding to support strategic research and development initiatives, similar to the efforts for the National Bio and Agro-Defense Facility (NBAF) and University of Kansas' cancer center designation.

34-3 Enhance and facilitate the commercialization of research by linking business and university systems in a variety of technologies.

**Strategy 35 – Address technology infrastructure needs throughout the state.**

35-1 Develop and maintain maps of strategic technology assets in the state and identify those accessible through regional, national, and global networks.

35-2 Identify and address infrastructure gaps through collaborative cross-boundary relationships.

35-3 Increase industry access to public research infrastructure by developing an environment conducive to institution-industry interactions and addressing policy impediments.

**Strategy 36 – Establish and maintain a technically-skilled workforce to fulfill the present and future needs of a vital, technology-driven economy.**

36-1 Support policies and initiatives designed to advance the economic impact of research institutions on the state's economy, including a highly qualified workforce to support economic growth.

36-2 Engage stakeholders including educational institutions, private sector representatives, subject matter experts and state leaders in forecasting opportunities, needs, and proactively aligning programs.

**Strategy 37 – Create an enhanced entrepreneurial culture in Kansas.**

37-1 Enhance or expand business assistance efforts for growing businesses between the start-up phase and early stage of business evolution.

37-2 Support and promote activities and educational initiatives at all levels to improve the understanding of innovation and to stimulate and advance leadership and entrepreneurial values, skills, and accomplishments.

**Strategy 38 – Develop a national leadership role in Information Security and Information Assurance.**

38-1 Support the Kansas National Guard's unique information security mission and the mission the legislature has given Fort Hays State University in Information Assurance.

38-2 Use the developing Kansas military and higher education critical mass across the state to spin off businesses and enhance current businesses dependent on information assurance.

**Strategy 39 – Enhance the Kansas Business Center (KBC).**

39-1 Expand cross-agency application development efforts and communication with the Information Network of Kansas to create a single online location for new and existing businesses to utilize for acquiring region-specific state and local resources and contacts; federal, state, and local regulatory compliance; and provide for an online environment designed to enhance the ability for Kansas businesses to thrive.

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## ***State Image/Branding***

***Mission – Enhance the marketing/branding of Kansas.***

**Strategy 40 – Support a public/private partnership to brand the State of Kansas incorporating: continuity, measurability, funding, partnerships, and focus.**

- 40-1 To ensure the continuity of imaging/branding the state, create an Imaging/Branding Advisory Board with a public/private partnership to assist in the branding of the State of Kansas. The Board, comprised of cross-industry representation, would report to the Secretary of Commerce and assist in the development and execution of a targeted, proactive marketing and sales strategy that positions Kansas for aggressive competition in business investment, expansion opportunities and potential tourism opportunities, with appropriate balance and effective segmentation of the specific targets.
- 40-2 Devise a dedicated funding stream in concert with private investment to assist in the development of an aggressive statewide imaging/branding strategy and campaign.
- 40-3 The Secretary of Commerce and Kansas, Inc. President shall provide an annual assessment and review of the state's imaging/branding efforts and deliverables to the Kansas, Inc. Board of Directors.

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## ***Economic Development Funding and Benchmarking***

**Strategy 41 – Examine the fundamental structure, methodology and level of expenditures spent on economic development from the state level.**

- 41-1 Conduct a study examining what Kansas and surrounding states spend on economic development efforts.
- 41-2 Examine the level of economic development expenditures and consider increasing expenditures at least by the level of inflation.

**Strategy 42 – Benchmark economic development information in Kansas.**

- 42-1 Track, compile, and make available information pertaining to economic development efforts on an agency, city, community, county, and statewide basis in Kansas. A master file should be maintained in an electronic format for public use.

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## ***Transportation Infrastructure***

**Strategy 43 – Support the core recommendations within Kansas Comprehensive Transportation Plan and their role in economic development efforts.**

- 43-1 Preserve existing transportation infrastructure.
- 43-2 Align transportation to better support the Kansas economy.
- 43-3 Provide leadership and strategic investment for all modes of transportation.
- 43-4 Ensure safety is a priority within the state's long-range transportation plan.



632 SW Van Buren, Suite 100  
Topeka, KS 66603  
(785) 296-1460  
(785) 296-1463 (fax)  
**[www.kansasinc.org](http://www.kansasinc.org)**  
[ksinc@ink.org](mailto:ksinc@ink.org)