

INSTITUTE FOR PUBLIC POLICY AND BUSINESS RESEARCH  
THE UNIVERSITY OF KANSAS

ECONOMIC DEVELOPMENT INVESTMENTS OF TEN STATES:  
A DESCRIPTIVE ANALYSIS

A Report to

Kansas, Inc.  
Kansas Department of Commerce

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The findings and views presented in this report are those of the authors and do not necessarily reflect those of Kansas, Inc., the Kansas Department of Commerce, or the University of Kansas.

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## CHAPTER 1

### INTRODUCTION

Like the U.S. economy, the Kansas economy is in a state of transition, with the Kansas economy performing below national averages. To encourage growth, the state of Kansas initiated an economic development strategy in 1986. Kansas is not alone in its efforts to encourage economic growth through economic development programs. Other states are also funding economic development initiatives to encourage economic growth. To determine how funding for Kansas economic development compares to funding in other states, Kansas' economic development programs' expenditures (FY 1989) and appropriations (FY 1990) were compared with expenditures and appropriations made by selected states.

The purpose of the study was to determine (1) the overall spending for economic development programs in Kansas and selected states and (2) the distribution of funds across six areas of economic development program activity. This enabled us to determine how economic development foundations were being funded in Kansas and other states. Data were collected for individual programs. The diversity of programs made it difficult to compare states at the level of individual programs, so programs were categorized by function or activity and a descriptive analysis of program categories was done. Thus, the main focus of analysis was on broad categories of economic development programs.

#### **A. Procedures**

Nine comparison states were chosen based upon geographic location (contiguous to Kansas), similarity in funding sources (i.e., lottery funds), or aggressive economic development policy. The ten states included in the study were Arkansas, Colorado, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, Oregon.



The Secretary of the Department of Commerce or Economic Development in each state was asked to name one contact person to help compile data for their state. The contact person was sent a letter describing the study, a list containing types of economic development programs included in the study, and the survey form (see Appendix A). The contact person identified programs that should be included, sent the survey form to the appropriate agency for completion, and returned the completed forms to the research team. The survey form requested the following information for each program: program title, program type (business environment, financial, etc.), agency responsible for administration of program, program goals, Fiscal Year (FY) 1989 (actual) and FY 1990 (appropriated) budgets (state appropriation, federal funds, other funds), funding trends, personnel.

Budget data were collected for individual programs. Because of the diversity of programs, no attempt was made to compare states at the level of individual programs. Rather, programs were categorized by function or activity and a descriptive analysis of categories of programs was done. The main focus of the descriptive analysis was on broad categories of economic development programs. The types of programs included in the study were those that fell into the following categories:

1. Business environment (business/community support)--state programs which foster business development and create a favorable business climate by directly reaching communities and businesses. In addition, the state's image, both in-state and abroad, may be enhanced through trade offices and tourism efforts. Business support programs focus upon business creation, expansion, and recruitment in rural and urban areas. Promotion and development of a state's key industries and economic base are included. Also included in the budget data were expenditures or appropriations for economic development infrastructure, the institutional capacity to support these programs (i.e., divisions within the Department of Commerce).

2. Financial capital assistance--state programs designed to provide businesses in various growth/development stages with adequate capital. Improving business' access to financial capital encourages economic expansion, modernization, and innovation. Capital may be used in a variety of areas: purchasing facilities and equipment, general operations, working capital, development of prototypes, or general start-up needs. In addition, specific projects/areas may be targeted, such as export assistance, small businesses, or high technology.

3. Human capital (development of labor resources)--state programs which assist in the long-term investment and development of labor resources. Efficient and responsive training, retraining, and general education programs are a central part of this, including programs which target and assist new/expanding/existing businesses utilize new processes and technologies, train, and improve employees' performance. Programs may also offer training/retraining to adults who may be unemployed or have skill deficiencies. Financial support and business/education linkages may also be provided and encouraged.

4. Infrastructure development/assistance--state programs which assist communities in creating and maintaining public infrastructure systems, such as site development for business/industrial parks.

5. Quality of life--state programs which seek to develop and maintain a positive cultural milieu within the state. Programs may increase the availability and diversity of cultural, artistic, recreational, environmental, and historical activities in order to improve the quality of life and economic potential of the state.

6. Technology/innovation--state programs which stimulate technology development, coordination, application and transfer. The goals of these programs include improving the competitiveness and efficiency of manufacturing and service industries within the state, as well as diversifying and building on the current economic base. Industry/education linkages may be fostered with the focus on improving research and development of new technologies and commercialized products. Technology centers, offices, and information may be available to small businesses and entrepreneurs who wish to develop, produce or utilize new or higher levels of technology.

Excluded from the analysis were programs that did not receive state dollars, and programs that granted tax adjustments/credits/exemptions/etc. Also excluded were highway projects, water projects, bond-funded programs, and historical preservation programs.

To ensure that accurate information was obtained, a reliability check was done. Legislative Research Bureau's (or their equivalent) were contacted in each

state and requested to check the list of programs and budgets for accuracy and completeness. If disagreements occurred (budget data did not agree or programs were not included that should have been included), the reliability check person and the original contact person were interviewed by the research team to obtain accurate data. In some cases, person(s) directly involved with a program was contacted to obtain accurate data.

**B. Key Findings**

**1. General Characteristics of Economic Development Funding**

The assumption underlying state funding of economic development programs is that government programs can be used to change the nature of the marketplace. Because government cannot do it alone, the best economic development strategy involves a partnership between the public sector and the private sector and requires a dynamic process. The survey results showed that:

1. Most states do have some economic development programs that rely upon partnerships between state and local government and between the public and private sectors.
2. While federal funds and other funds (e.g., private sector contributions) were used to supplement state support of economic development programs, seven of the ten states supported over 60% of their total economic development budgets using state funds. Clearly, the initiative for economic development has been taken by most states.
3. States' economic development strategies involved much more than "smokestack chasing." States have evolved toward a more sophisticated mix of programs that focused most heavily upon business environment, technology/innovation, and human capital activities.
4. Economic development must be a dynamic, rather than a static, process that anticipates and adjusts to changing economic forces. Because of the mix of economic development programs, numerous organizations in both the public and private sectors were involved in program administration. While each state's Department of Economic Development or Commerce was heavily involved, that department was not the only player. Other state agencies, public-private organizations, and private-sector groups and organizations were involved. The mix probably provided versatility and flexibility and allowed for experimentation, specialization, and integration of activities.

5. Some states (e.g., Indiana, Iowa) were evaluating and/or adjusting their economic development programming to improve the state's competitiveness by recognizing and taking advantage of changes in economic forces (local, national, and global).

## 2. Comparison of Kansas' and Other States' Economic Development Funding

States were compared to determine the strength of their commitment to economic development and the distribution of resources across six strategic foundations or areas. Survey results showed that:

1. State funding of economic development averaged \$43,162,625 in FY 1990. Kansas was below average with funding at \$20,325,133.

2. In FY 1990, Minnesota invested the largest amount in economic development (\$107,137,643) and Nebraska invested the smallest amount (\$19,504,115).

3. In FY 1990, Kansas was the only state that reduced state funding for economic development. The FY 1990 decrease of \$3,309,561 was a 14% reduction of FY 1989 funding. Other states increased support in FY 1990 by an average of 17.49% (range: 0.62% to 99.26%).

4. Kansas ranked seventh among the ten states in total state dollars invested in FY 1989 and FY 1990. When compared to its contiguous competitors, Kansas ranked fourth (Oklahoma, \$42,864,048; Missouri, \$32,655,255; Colorado, \$21,159,618; Kansas, \$20,325,133; Nebraska, \$19,504,115).

5. Strength of investment was examined with population differences taken into account. Per capita funding averaged \$10.92 in FY 1989 and \$12.83 in FY 1990. Kansas' per capita funding was below average: FY 1989, \$9.47; FY 1990, \$8.14.

6. Kansas ranked fifth out of ten states in per capita funding in FY 1989, but dropped to eighth in FY 1990 because of budget cuts. When compared to its contiguous states, Kansas dropped from second (FY 1989) to third place in FY 1990: Oklahoma, \$13.22; Nebraska, \$12.17; Kansas, \$8.14; Colorado, \$6.41; Missouri, \$6.35.

7. Kansas had a two-level funding pattern. Business environment and technology/innovation were funded at higher levels than other strategic areas. Two patterns of strategic foundation funding occurred across states: two- and three-level patterns. States with strategic foundation funding clustered at three levels were Minnesota (ranked first in size of state budget), Indiana (ranked third), and Iowa (ranked fourth). States with fewer state dollars to invest had a two-level funding pattern. This tended to create a more highly focused economic development funding pattern, as a larger share of the state's investment was concentrated in one or two strategic areas.

8. Kansas' funding emphases were business environment, technology/innovation, and human capital. All contiguous states' funding emphasis was business environment, with the exception of Nebraska which ranked it second, after technology/innovation.

9. Kansas' lowest funded strategic foundations were quality of life and infrastructure strategic foundations.

10. Business environment, technology/innovation, and human capital emerged as the highest funded strategic foundations for the largest number of states.

11. Based upon predictions of funding trends, 32% of the programs predicted funding would increase over the next five years. Strategic foundations with most optimistic predictions of increases were human capital, technology/innovation, and business environment.

## CHAPTER 2

### ECONOMIC DEVELOPMENT INVESTMENTS OF TEN STATES: A DESCRIPTIVE ANALYSIS

Although data were collected at the level of the program, program by program comparison was not done because of the diversity of programs. Rather, program descriptions were used to categorize programs by function or activity so comparisons could be made across states by categories of similar (but not necessarily identical) programs.

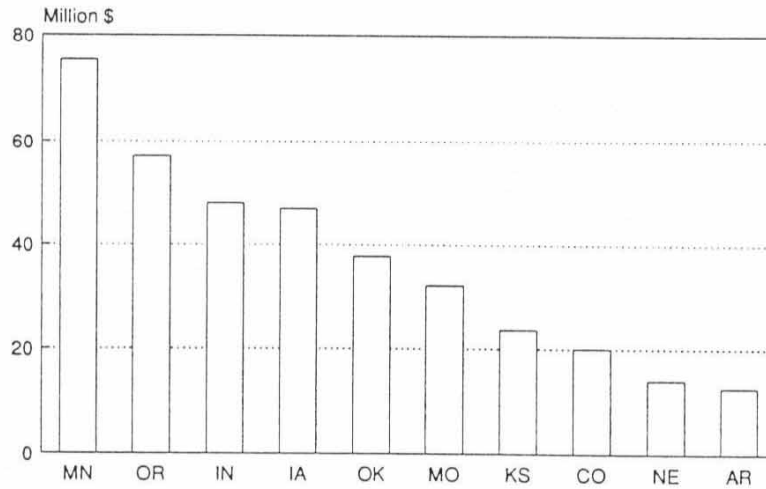
#### A. State Funding

##### 1. Total State Funding

When planning an economic development strategy, a state must decide how many dollars to commit to economic development programs. To determine the size of each state's commitment to economic development, states were ranked by the level of state dollars invested in all economic development programs included in our analysis. Figures 1 and 2 show that Kansas and the its contiguous states (Oklahoma, Missouri, Kansas, Colorado, and Nebraska) fell behind Minnesota, Oregon, Indiana, and Iowa in total state support in FY 1989 and FY 1990. In FY 1989, Kansas ranked seventh overall and third among the group of contiguous competitors (Oklahoma, Missouri, Kansas, Colorado, and Nebraska). Oklahoma and Missouri spent more than Kansas in FY 1989. In FY 1990, Kansas' total state investment dropped, giving it an overall rank of ninth and a rank of fourth when compared within the group of five contiguous states.

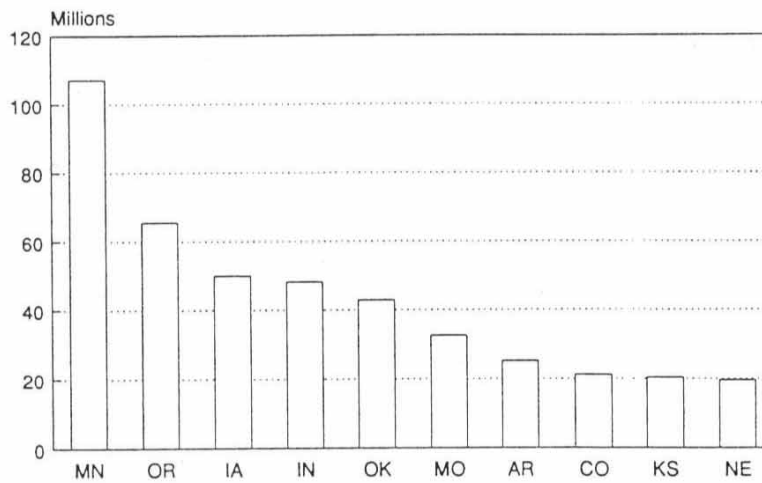
Table 2.1 shows that the average state economic development program budget was \$36,735,952 in FY 1989 and increased by 17.49% in FY 1990 to \$43,162,625. Kansas, like Colorado and Nebraska, was well below the average investment. Funding for FY 1990 for all states ranged from \$19,504,115 to \$107,137,643.

Figure 1  
 State Funding of Eco Devo Programs:  
 1989 Rank by Level of State Support



Source: 1990 IPPBR Survey of States

Figure 2  
 State Funding of Eco Devo Programs:  
 1990 Rank by Level of State Support



Source: 1990 IPPBR Survey of States

Table 2.1

## TOTAL STATE ECONOMIC DEVELOPMENT FUNDING BY STATE

State	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
Arkansas	20	\$ 12,684,706	\$ 25,275,203	\$ 5.30	\$10.55	99.26%
Colorado	16	20,011,076	21,159,618	6.06	6.41	5.74
Indiana	31	47,911,907	48,206,898	8.62	8.68	0.62
Iowa	51	46,812,821	48,899,399	16.52	17.25	4.46
Kansas	37	23,634,694	20,325,133	9.47	8.14	-14.00
Minnesota	34	75,280,170	107,137,643	17.48	24.88	42.32
Missouri	13	32,177,863	32,655,255	6.26	6.35	1.48
Nebraska	17	14,061,319	19,504,115	8.78	12.17	38.71
Oklahoma	31	37,840,673	42,864,048	11.67	13.22	13.28
Oregon	31	56,944,290	65,598,939	20.58	23.71	15.20
<b>TOTAL:</b>	<b>281</b>	<b>\$367,359,519</b>	<b>\$431,626,251</b>	<b>\$10.92</b>	<b>\$12.83</b>	<b>17.49%</b>
<b>AVERAGE:</b>	<b>28.10</b>	<b>\$ 36,735,952</b>	<b>\$ 43,162,625</b>			

Source: 1990 Institute for Public Policy and Business Research State Survey.

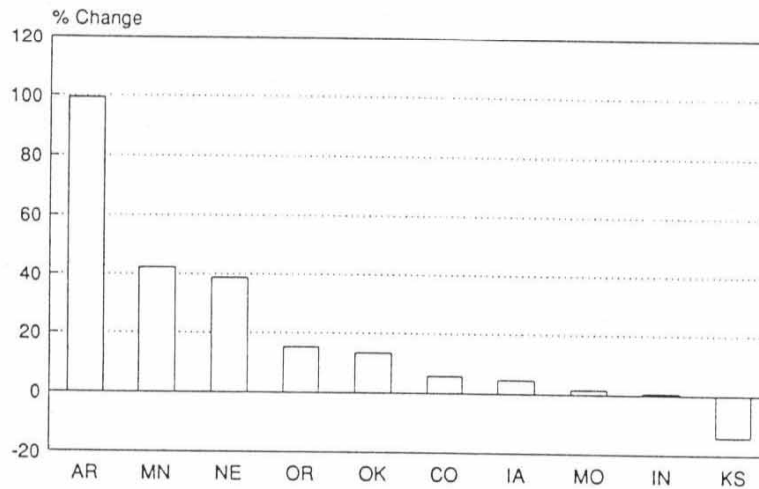
Kansas was the only state to reduce the amount spent on economic development programs in FY 1990. Figure 3 shows each state's rank by the percent change. All states except Kansas increased their economic development funding in FY 1990. Kansas' funding fell by 14%.

While Kansas' FY 1990 budget was 14% lower than its FY 1989 budget, Kansas' contiguous states' budgets increased. Increases ranged from 1.48% to 38.71% (Table 2.2). Analysis of the remaining states showed that Indiana's budget remained steady due to a period of economic program evaluation (discussed in Chapter VI); Oregon increased by 15.20%, Minnesota increased by 42.32%, and Arkansas' budget doubled (99.26% increase). Arkansas had the smallest state economic development budget in FY 1989 (\$12,684,706). Doubling that budget to \$25,275,203 gave the state the largest percentage increase, although that increase was not the largest in terms of total dollars. Because of the size of its



investment in economic development programs, Minnesota's 42.32% increase was the largest dollar increase.

Figure 3  
State Funding of Eco Devo Programs:  
Rank by % Change in Support, 1989-1990



Source: 1990 IPPBR Survey of States

Table 2.2

STATE FUNDING OF ECONOMIC DEVELOPMENT PROGRAMS:  
RANK ORDER BY PERCENT CHANGE IN STATE FUNDING SUPPORT

State	FY 1989-1990 % Change	FY 1989-1990 Difference
1. Arkansas	99.26%	\$12,590,497
2. Minnesota	42.32%	31,857,473
3. Nebraska	38.71%	5,442,796
4. Oregon	15.20%	8,654,649
5. Oklahoma	13.28%	5,023,375
6. Colorado	4.46%	1,148,542
7. Iowa	5.74%	2,086,578
8. Missouri	1.48%	477,392
9. Indiana	0.62%	294,991
10. Kansas	-14.00%	-3,309,561

Source: 1990 Institute for Public Policy and Business Research Survey of States.

## 2. State Funding Per Capita

Because of the large differences in states' populations, the population base was factored into the analysis of economic development funding levels. Table 2.3 presents each state's population base and level of state funding per capita. There was no correlation between state population size and level of investment made per capita. For example, Kansas ranked eighth in population size and fifth in per capita funding in FY 1989.

Table 2.3

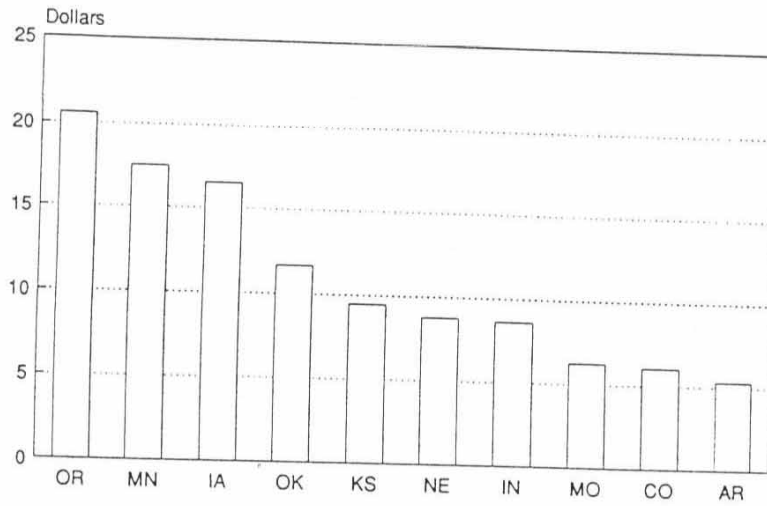
### STATES' POPULATION RANK AND ECONOMIC DEVELOPMENT FUNDING

State	Population	State Funds Per Capita	
		1989	1990
1. Indiana	5,556,000	\$ 8.62	\$ 8.63
2. Missouri	5,141,000	6.26	6.35
3. Minnesota	4,307,000	17.48	24.88
4. Colorado	3,301,000	6.06	6.41
5. Oklahoma	3,242,000	11.67	13.22
6. Iowa	2,834,000	16.52	17.25
7. Oregon	2,767,000	20.58	23.71
8. Kansas	2,496,000	9.47	8.14
9. Arkansas	2,395,000	5.30	10.55
10. Nebraska	1,602,000	8.78	12.17
<b>TOTAL</b>	<b>33,641,000</b>	<b>\$10.92</b>	<b>\$12.83</b>

Source: U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.; and the 1990 Institute for Public Policy and Business Research State Survey.

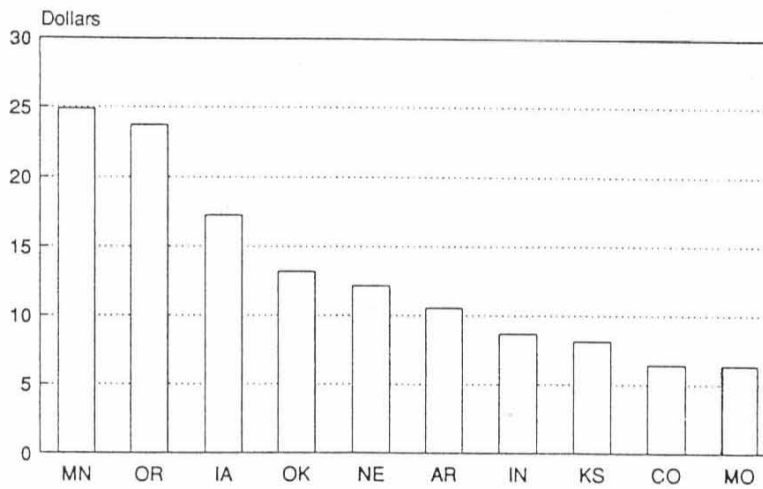
Figures 4 and 5 present rankings of state's per capita support for FY 1989 and FY 1990. In FY 1989, Kansas ranked fifth overall. When Kansas and its contiguous states were compared, Oklahoma spent the most per capita, Kansas ranked second, followed by Nebraska, Missouri, and Colorado. In FY 1990, Oklahoma

Figure 4  
 State Funding of Eco Devo Programs:  
 1989 Rank by State Per Capita Support



Source: 1990 IPPBR Survey of States

Figure 5  
 State Funding of Eco Devo Programs:  
 1990 Rank by State Per Capita Support



Source: 1990 IPPBR Survey of States

still ranked first among the contiguous states, Nebraska moved to second followed by Kansas, Colorado, and Missouri. The state making the biggest gain in per capita investment was Arkansas (1989 rank, tenth; 1990 rank, sixth). The state showing the largest loss was Kansas (1989 rank, fifth; 1990 rank, eighth).

### 3. Distribution of States' Funds Across Strategic Foundations

In addition to determining how much money to invest in economic development, each state must decide how to allocate or distribute funds among the strategic foundations. To determine states' funding emphasis, distribution of funds across the six strategic foundations was compared. Table 2.4 ranks each state's investment by strategic foundation. Seven of ten states' top funding emphasis was the business environment strategic foundation. This is not too surprising since substantial portions of each state's Department of Economic Development or Commerce were included in the analysis because of their focus on economic development. Other strategic foundations were less likely to be under the umbrella of a major state agency that focused on economic development. The strategic foundations receiving lowest funding were infrastructure development (seven states) and quality of life (five states). Similar trends in strategic foundations receiving the highest and lowest funding levels occurred in FY 1989.

The states not funding business environment as their highest funding area included Arkansas--infrastructure, Indiana--human capital, Nebraska--technology/innovation. Technology/innovation was the first or second highest funded strategic foundation for five states: Colorado, Kansas, Minnesota, Nebraska, and Oklahoma. Human capital was one of the top three areas of emphasis in five states: Colorado, Indiana, Kansas, Minnesota, Missouri, and Oklahoma. Thus, the strategic foundations receiving consistently high levels of funding in a majority of the states were business environment, technology/innovation, and human capital.

Table 2.4

STATES' FUNDING EMPHASIS FOR FY 1990:  
RANK ORDER OF STRATEGIC FOUNDATIONS BY LEVEL OF STATE FUNDING

Arkansas:	Colorado:	Indiana:
1. Infrastructure	1. Business Environ.	1. Human Capital
2. Business Environ.	2. Technol./Innov.	2. Business Environ.
3. Quality of Life	3. Human Capital	3. Financial Capital
4. Technol./Innov.	4. Financial Capital	4. Technol./Innov.
5. Human Capital	5. Infrastructure and	5. Infrastructure
6. Financial Cap. (\$0)	Quality of Life (\$0)	6. Quality of Life
Iowa:	Kansas:	Minnesota:
1. Business Environ.	1. Business Environ.	1. Business Environ.
2. Financial Capital	2. Technol./Innov.	2. Technol./Innov.
3. Quality of Life	3. Human Capital	3. Human Capital
4. Technol./Innov.	4. Financial Capital	4. Quality of Life
5. Human Capital	5. Quality of Life	5. Financial Capital
6. Infrastructure	6. Infrastructure	6. Infrastructure (\$0)
Missouri:	Nebraska:	Oklahoma:
1. Business Environ.	1. Technol./Innov.	1. Business Environ.
2. Human Capital	2. Business Environ.	2. Technol./Innov.
3. Quality of Life	3. Financial Capital	3. Human Capital
4. Infrastructure	4. Human Capital	4. Quality of Life
5. Technol./Innov.	5. Infrastructure and	5. Financial Capital
6. Financial Cap. (\$0)	Quality of Life (\$0)	6. Infrastructure (\$0)
Oregon:		
1. Business Environ.		
2. Infrastructure		
3. Technol./Innov.		
4. Human Capital		
5. Financial Capital		
6. Quality of Life (\$0)		

Source: 1990 Institute for Public Policy and Business Research State Survey.

The survey of each program included a question asking for a prediction of state funding over the next five years. Based upon those predictions, 32% of all programs across all states were predicted to receive increased funding over the next five years. Strategic foundations with the largest percentage of programs

predicting funding increases were human capital (43% of all programs in all states), technology/innovation (36%), and business environment (34%).

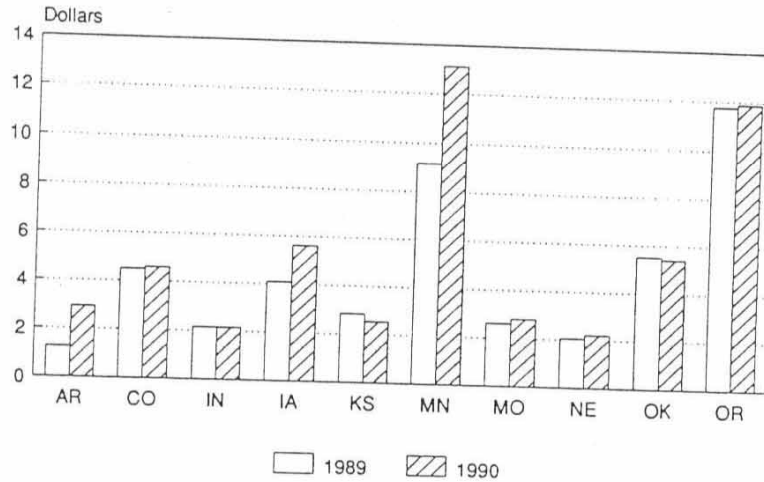
#### 4. Comparison of States' Funding Within Strategic Foundations

State allocations were compared by strategic foundation to determine the range of investment across states and the level of investment made in FY 1989 and FY 1990.

Business Environment. Business environment was the top funded area in FY 1990 for all states except Arkansas, Indiana, and Nebraska. Figure 6 shows the relative investments that states made in this strategic foundation, with funding corrected for differences in population size (per capita funding levels). Minnesota's large increase in funds allocated in FY 1990 placed it ahead of all other states, although Minnesota and Oregon far exceeded other states' funding levels. In FY 1990, Colorado, Iowa, and Oklahoma funded business environment within a \$4.00 to \$6.00 per capita range. For the remaining states, Arkansas, Indiana, Kansas, Missouri, and Nebraska, FY 1990 funding was in the \$2.00 to \$3.00 range.

In FY 1990, Kansas ranked eighth in per capita funding of business environment programs and ninth in state dollars allocated (Table 2.5). Of Kansas' contiguous states, only Nebraska had a smaller per capita funding level. Business environment was Kansas', and not Nebraska's, top funding emphasis. The remaining contiguous states (Colorado, Missouri, and Oklahoma) funded business environment as their top emphasis just as Kansas did, but those states' funding levels exceeded Kansas' investment. Kansas' funding decreased by 11% from FY 1989 to FY 1990, and Oklahoma showed a 2% loss. Indiana showed no change, and all other states increased funding.

Figure 6  
Business Environment Programs  
Total State Funding (Per Capita)



Source: IPPBR State Survey

Table 2.5

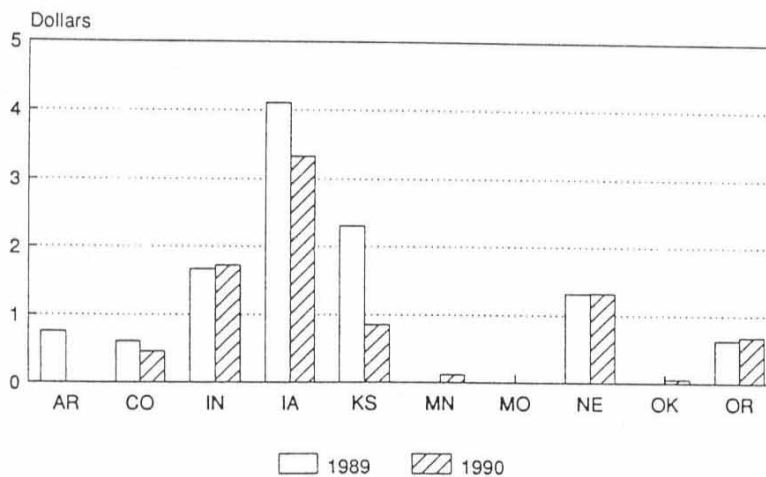
BUSINESS ENVIRONMENT PROGRAMS: TOTAL STATE FUNDING BY STATE

State	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
Arkansas	9	\$ 3,036,166	\$ 7,005,180	\$ 1.27	\$ 2.92	131%
Colorado	11	14,845,518	15,140,846	4.50	4.59	2
Indiana	20	12,004,132	11,954,430	2.16	2.15	0
Iowa	27	11,601,871	15,880,743	4.09	5.60	37
Kansas	8	7,115,775	6,328,811	2.85	2.54	-11
Minnesota	11	39,491,682	56,381,353	9.17	13.09	43
Missouri	6	13,445,698	14,457,506	2.62	2.81	8
Nebraska	10	3,301,319	3,553,115	2.06	2.22	8
Oklahoma	20	17,864,233	17,565,186	5.51	5.42	-2
Oregon	16	32,531,412	32,864,746	11.76	11.88	1
<b>TOTAL:</b>	<b>138</b>	<b>\$155,237,806</b>	<b>\$181,131,916</b>	<b>\$ 4.61</b>	<b>\$13.09</b>	<b>17%</b>
<b>AVERAGE:</b>	<b>13.80</b>	<b>\$ 15,523,781</b>	<b>\$ 18,113,192</b>			

Source: 1990 Institute for Public Policy and Business Research State Survey.

Financial Capital. None of the ten states funded financial capital as the area of top emphasis. It was the second or third highest funded area for three states: Indiana, Iowa, and Nebraska. Of the remaining seven states, five funded it as their lowest or second lowest area. While most states' business environment funding was in the \$2.00 to \$6.00 per capita range (Figure 6), most states' FY 1990 financial capital funding ranged from \$0.45 to \$1.73 (Figure 7). Only Iowa funded above the \$2.00 per capita range for both years. Kansas' funding dropped from over \$2.00 per capita in FY 1989 to \$0.85 in FY 1990 because capitalization of some programs was completed in FY 1989 (see Chapter III).

Figure 7  
Financial Capital Programs  
Total State Funding (Per Capita)



Source: IPPBR State Survey



In FY 1990, Kansas ranked fourth in per capita funding of financial capital programs and sixth in state dollars allocated (Table 2.6). Of Kansas' contiguous states, Nebraska ranked financial capital as its third area of emphasis and, not surprisingly, spent more per capita in FY 1990. Four of the seven states funding this strategic foundation in FY 1989 and 1990 reduced funding from 1989 to 1990. The average percent change was -20.43%.

Table 2.6

FINANCIAL CAPITAL PROGRAMS: TOTAL STATE FUNDING BY STATE

State	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
Arkansas	1	\$ 1,800,000	\$ 0	\$0.75	\$0.00	-100.00%
Colorado	1	2,000,000	1,500,000	0.61	0.45	-25.00
Indiana	4	9,292,775	9,597,468	1.67	1.73	3.28
Iowa	6	11,636,132	9,439,792	4.11	3.33	-18.88
Kansas	5	5,335,000*	1,105,000	2.31*	0.85	-63.02
Minnesota	1	0	500,000	0.00	0.12	N/A
Missouri	0					
Nebraska	2	2,110,000	2,118,000	1.32	1.32	0.38
Oklahoma	1	0	168,848	0.00	0.05	N/A
Oregon	3	1,750,000	1,878,000	0.63	0.68	7.31
<b>TOTAL:</b>	<b>24</b>	<b>\$34,348,907</b>	<b>\$27,332,108</b>	<b>\$1.02</b>	<b>\$0.81</b>	<b>-20.43%</b>
<b>AVERAGE:</b>	<b>2.40</b>	<b>\$ 3,434,891</b>	<b>\$ 2,733,211</b>			

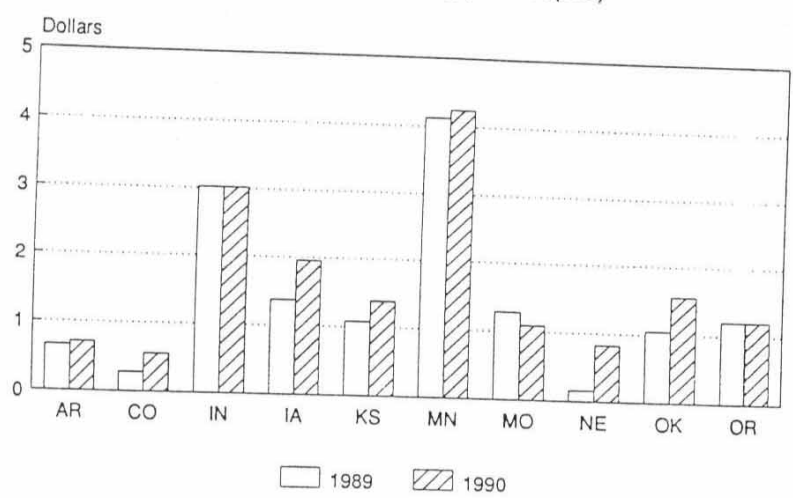
\*Does not include \$2,530,841 in tax credit programs.

Source: 1990 Institute for Public Policy and Business Research State Survey.

Human Capital. Human capital was the top funded strategic foundation in FY 1990 for Indiana, and was the second or third area of emphasis for Colorado, Kansas, Minnesota, Missouri, and Oklahoma. Figure 8 shows the human capital investment for all states, corrected for population size. On a per capita basis, Minnesota and Indiana invested more than all other states for both years. States investing between \$1.00 and \$2.00 per capita included Iowa, Kansas, Missouri,

Oklahoma, and Oregon. Arkansas, Colorado, and Nebraska invested less than \$1.00 per capita.

Figure 8  
Human Capital Programs  
Total State Funding (Per Capita)



Source: IPPBR State Survey

Table 2.7

HUMAN CAPITAL PROGRAMS: TOTAL STATE FUNDING BY STATE

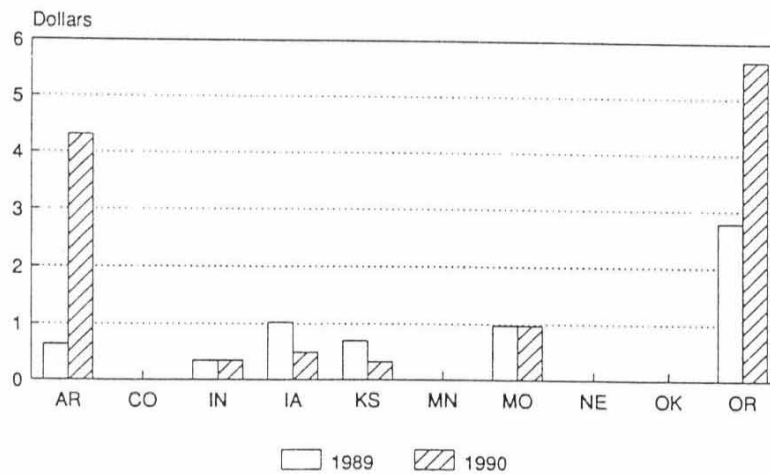
State	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
Arkansas	2	\$ 1,580,000	\$ 1,688,300	\$0.66	\$0.70	6.85%
Colorado	2	921,869	1,803,000	0.28	0.55	95.58
Indiana	3	16,800,000	16,800,000	3.02	3.02	0.00
Iowa	8	3,884,897	5,534,625	1.37	1.95	42.47
Kansas	2	2,700,000	3,450,000	1.08	1.38	27.78
Minnesota	7	17,765,448	18,275,647	4.12	4.24	2.87
Missouri	1	6,574,592	5,610,230	1.28	1.09	-14.67
Nebraska	1	250,000	1,323,000	0.16	0.83	429.20
Oklahoma	1	3,388,333	5,044,133	1.05	1.56	48.87
Oregon	3	3,330,000	3,330,000	1.20	1.20	0.00
<b>TOTAL:</b>	<b>30</b>	<b>\$57,195,139</b>	<b>\$62,858,935</b>	<b>\$1.70</b>	<b>\$1.87</b>	<b>9.90%</b>
<b>AVERAGE:</b>	<b>3.00</b>	<b>\$ 5,719,514</b>	<b>\$ 6,285,894</b>			

Source: 1990 Institute for Public Policy and Business Research State Survey.

In FY 1990, Kansas ranked fifth in per capita funding of human capital and sixth in total state dollars allocated (Table 2.7). Colorado and Nebraska allocated less than \$1.00 per capita, while the other contiguous states (Kansas, Missouri, and Oklahoma) ranged from \$1.09 to \$1.56. Missouri was the only state that reduced human capital funding in FY 1990 (-14.67% change). Indiana and Oregon showed no change. Nebraska increased human capital funding by over 400% in FY 1990 and Colorado nearly doubled its funding. Kansas increased human capital funding by 27.78%.

Infrastructure. In FY 1990, infrastructure development was the top area of emphasis for Arkansas and second area of emphasis for Oregon. Missouri ranked it fourth and all other states ranked it fifth or sixth. Figure 9 illustrates the relatively low level of funding for most states.

Figure 9  
Infrastructure Development Programs  
Total State Funding (Per Capita)



Source: IPPBR State Survey

In FY 1990, Kansas ranked sixth in per capita funding and total state dollars allocated for infrastructure (Table 2.8). Colorado, Nebraska, and Oklahoma allocated no funds, and Missouri allocated \$0.97 per capita. Kansas allocated \$800,000 or \$0.32 per capita in FY 1990, a reduction of nearly 54% from FY 1989. Only Arkansas and Oregon aggressively funded this strategic foundation, with both states allocating much larger sums in FY 1990 than in FY 1989.

Table 2.8

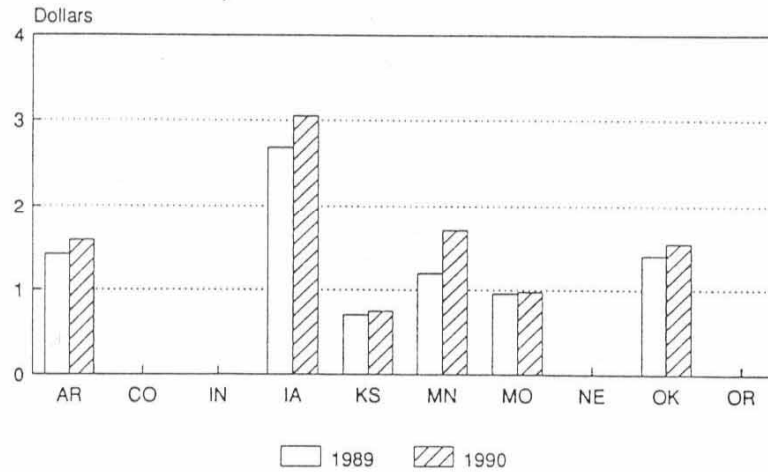
INFRASTRUCTURE DEVELOPMENT PROGRAMS: TOTAL STATE FUNDING BY STATE

State	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
Arkansas	2	\$ 1,513,641	\$10,307,501	\$0.63	\$4.30	580.97%
Colorado	0			0.00	0.00	
Indiana	1	1,915,000	1,915,000	0.34	0.34	0.00
Iowa	1	2,895,000	1,395,000	1.02	0.49	-51.81
Kansas	1	1,738,845	800,000	0.70	0.32	-53.99
Minnesota	0			0.00	0.00	
Missouri	1	5,000,000	5,000,000	0.97	0.97	0.00
Nebraska	0			0.00	0.00	
Oklahoma	0			0.00	0.00	
Oregon	3	7,700,000	15,700,000	2.78	5.67	103.90
<b>TOTAL:</b>	<b>9</b>	<b>\$20,762,486</b>	<b>\$35,117,501</b>	<b>\$0.62</b>	<b>\$1.04</b>	<b>69.14%</b>
<b>AVERAGE:</b>	<b>0.90</b>	<b>\$ 2,076,249</b>	<b>\$ 3,511,750</b>			

Source: 1990 Institute for Public Policy and Business Research State Survey.

Quality of Life. None of the states surveyed placed quality of life as their top FY 1990 funding area. Seven of ten states placed this strategic foundation in the lower half of their funding levels. Quality of life was the third highest funded strategic foundation in Arkansas, Iowa, and Missouri. Figure 10 shows that, when corrected for population differences, Iowa's funding level (\$3.05 per capita in FY 1990) was well above the other states. Arkansas, Minnesota, and Oklahoma's funding exceeded \$1.00 per capita.

Figure 10  
Quality Of Life Programs  
Total State Funding (Per Capita)



Source: IPPBR State Survey

Table 2.9

QUALITY OF LIFE PROGRAMS: TOTAL STATE FUNDING BY STATE

State	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
Arkansas	2	\$ 3,400,000	\$ 3,800,000	\$1.42	\$1.59	11.76%
Colorado	0			0.00	0.00	
Indiana	1	0	40,000	0.00	0.01	N/A
Iowa	4	7,617,711	8,644,239	2.69	3.05	13.48
Kansas	14	1,762,122	1,867,186	0.71	0.75	5.96
Minnesota	3	5,144,003	7,341,085	1.19	1.70	42.71
Missouri	1	4,913,477	5,007,519	0.96	0.97	1.91
Nebraska	0			0.00	0.00	
Oklahoma	2	4,554,107	5,020,881	1.40	1.55	10.25
Oregon	0			0.00	0.00	
<b>TOTAL:</b>	<b>27</b>	<b>\$27,391,420</b>	<b>\$31,720,910</b>	<b>\$0.81</b>	<b>\$0.94</b>	<b>15.81%</b>
<b>AVERAGE:</b>	<b>2.70</b>	<b>\$2,739,142</b>	<b>\$3,172,091</b>			

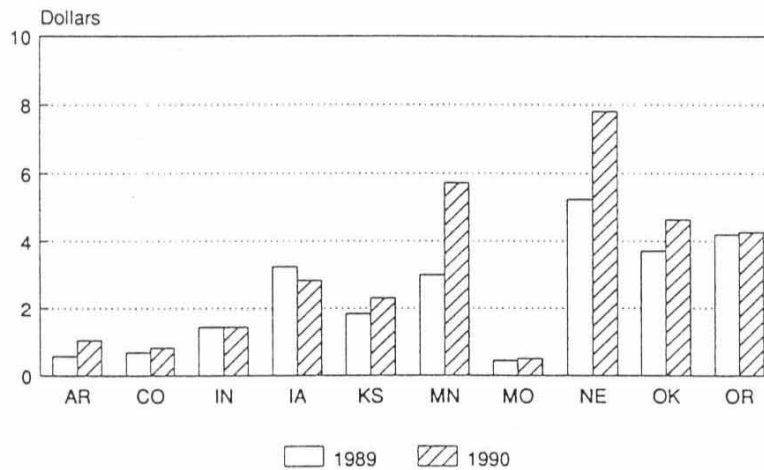
Source: 1990 Institute for Public Policy and Business Research State Survey.

In FY 1990, Kansas ranked sixth in per capita funding and in total state dollars allocated (Table 2.9). Of Kansas' contiguous states, Colorado and

Nebraska did not fund this strategic area, and Missouri and Oklahoma both exceeded Kansas' funding level. Missouri barely increased its funding of this area in FY 1990 (1.91% change), while Kansas increased its funding by 5.96%. Minnesota's 42.71% increase was the largest.

Technology/Innovation. Technology/innovation was the top funded FY 1990 strategic foundation for Nebraska, and the second or third highest funded strategic foundation for Colorado, Kansas, Minnesota, Oklahoma, and Oregon. Figure 11 reflects the emphasis Nebraska placed on developing this strategic foundation. Nebraska allocated nearly \$8.00 per capita in FY 1990. Minnesota, Oklahoma, and Oregon allocated between \$4.27 and \$5.72 per capita in FY 1990, followed by Kansas and Iowa at \$2.30 and \$2.82 respectively.

Figure 11  
Technology/Innovation Programs  
Total State Funding (Per Capita)



Source: IPPBR State Survey

In FY 1990, Kansas ranked sixth in per capita funding of technology/innovation and seventh in total state dollars allocated (Table 2.10). Of Kansas'

contiguous states, Colorado and Missouri allocated less per capita and Nebraska and Oklahoma allocated more per capita than did Kansas. While Nebraska's per capita funding level exceeded all other states in FY 1990, Minnesota and Oklahoma allocated more state dollars for technology/innovation economic development. Minnesota's FY 1990 allocation was a 91.32% increase over FY 1989. Arkansas had the second highest increase (82.61%), followed by Nebraska's 48.93% increase. Only Iowa decreased funding in this area. Kansas' 26.13% increase was about average.

Table 2.10

TECHNOLOGY/INNOVATION PROGRAMS: TOTAL STATE FUNDING BY STATE

State	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
Arkansas	4	\$ 1,354,899	\$ 2,474,222	\$0.57	\$1.03	82.61%
Colorado	2	2,243,689	2,715,772	0.68	0.82	21.04
Indiana	2	7,900,000	7,900,000	1.42	1.42	0.00
Iowa	5	9,177,210	8,005,000	3.24	2.82	-12.77
Kansas	7	4,557,952	5,749,136	1.83	2.30	26.13
Minnesota	12	12,879,037	24,639,558	2.99	5.72	91.32
Missouri	4	2,244,096	2,580,000	0.44	0.50	14.97
Nebraska	4	8,400,000	12,510,000	5.24	7.81	48.93
Oklahoma	7	12,034,000	15,065,000	3.71	4.65	25.19
Oregon	6	11,632,878	11,826,193	4.20	4.27	1.66
<b>TOTAL:</b>	<b>53</b>	<b>\$72,423,761</b>	<b>\$93,464,881</b>	<b>\$2.15</b>	<b>\$2.78</b>	<b>29.05%</b>
<b>AVERAGE:</b>	<b>5.30</b>	<b>\$ 7,242,376</b>	<b>\$ 9,346,488</b>			

Source: 1990 Institute for Public Policy and Business Research State Survey.

**B. Total Funding: State, Federal, and Other Sources**

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used to fund economic development programs was limited. Table 2.11 shows total funds spent in FY 1989. The total includes state funds, federal funds, and other funds (private matching funds, donations, fees, etc.). Also shown is the percentage of

a state's total budget funded by the state, by the federal government, and by other sources. States' share of their total budgets ranged from 34% (Arkansas) to 81% (Iowa). Of the contiguous states, Kansas funded 39.5% of its total budget, Missouri funded 37%, Colorado funded 61%, Oklahoma funded 60%, and Nebraska funded 70%.

Table 2.11

TOTAL ECONOMIC DEVELOPMENT BUDGETS BY STATE

FY 1989

State:	Total Budget	State	Federal	Other
Arkansas	\$ 37,174,827	34.0%	60.0%	6.0%
Colorado	33,008,779	61.0	25.0	14.0
Indiana	64,364,907	74.0	26.0	
Iowa	58,064,584	81.0	4.0	15.0
Kansas	59,876,215	39.5	28.2	32.4
Minnesota	122,043,150	61.7	32.2	6.1
Missouri	86,016,171	37.0	58.0	5.0
Nebraska	20,155,319	70.0	29.0	1.0
Oklahoma	62,679,456	60.0	29.0	11.0
Oregon	79,589,069	72.0	16.0	12.0
<b>TOTAL</b>	<b>\$622,972,477</b>			
<b>AVERAGE</b>	<b>\$ 62,297,248</b>			

Source: 1990 Institute for Public Policy and Business Research Survey of States.

C. Conclusion

Comparison of states' economic development budgets revealed considerable diversity among the ten states and among Kansas' contiguous states, despite common problems. This diversity was reflected in differences in overall funding levels of the states' economic development programs as well as in differences in how the strategic foundations and programs within those foundations were funded to achieve different economic goals.

1. State funding of economic development programs averaged \$36,735,952 in FY 1989 and \$43,162,625 in FY 1990.



2. In FY 1990, Minnesota invested more state funds in economic development than all other states and Nebraska invested fewer funds.
3. Kansas was below average in state funding of economic development programs, with funding at \$23,634,694 in FY 1989 and \$20,325,133 in FY 1990.
4. Kansas was the only state to reduce the overall state funding for economic development. The FY 1990 decrease of \$3,309,561 was a 14% reduction over FY 1989.
5. Kansas ranked seventh in total state dollars in FY 1989 and ninth in FY 1990 out of ten states.
6. Kansas ranked fifth out of ten states in per capita funding in FY 1989 and eighth in FY 1990.
7. In state funding of economic development, the contiguous states' FY 1990 rankings were: (1) Oklahoma; (2) Missouri; (3) Colorado; (4) Kansas; (5) Nebraska.
8. When population differences were factored into the analysis, rankings changed. Rankings in per capita funding among Kansas' contiguous states were: (1) Oklahoma; (2) Nebraska; (3) Kansas; (4) Colorado; (5) Missouri.
9. Per capita funding averaged \$10.92 in FY 1989 and \$12.83 in FY 1990.
10. Kansas' per capita funding was below average at \$9.47 (FY 1989) and \$8.14 (FY 1990).
11. Strategic foundations receiving highest funding levels in a majority of states in FY 1990 were business environment, technology/innovation, and human capital. Predictions of increases in funding over the next five years revealed that 43% of all human capital programs, 36% of technology/innovation programs, and 34% of business environment programs predicted funding increases.
12. Strategic foundations receiving lowest funding levels in FY 1990 were infrastructure (seven states) and quality of life (five states).
13. Kansas' funding emphases in FY 1990 were business environment, technology/innovation, and human capital.
14. Two patterns of strategic foundation funding occurred: two- and three-level patterns. States with strategic foundation funding clustered at three levels were Minnesota (ranked first in size of state budget), Indiana (ranked third), and Iowa (ranked fourth). States with fewer state dollars to invest had a two-level funding pattern. This tended to create a more highly focused economic development funding pattern, as a larger share of the state's investment was concentrated in one or two strategic areas.

## CHAPTER 3

### KANSAS ECONOMIC DEVELOPMENT EXPENDITURES

Kansas' economic development programs are funded through the state's general fund (GF) and economic development incentive fund (EDIF). EDIF is based upon revenues generated by the state lottery.

#### A. State Funding

##### 1. Total State Funding

Kansas was the only state whose support for economic development programs decreased from FY 1989 to FY 1990 (Table 3.1). State funds spent (FY 1989) or allocated (FY 1990) decreased 14% from \$23,634,694 in FY 1989 to \$20,325,133 in FY 1990. Kansas ranked seventh in total state dollars spent in FY 1989 and ninth in FY 1990. In FY 1989, Kansas had a two-level funding pattern with higher funding for three areas: business environment, financial capital, and technology/innovation. The remaining areas were funded at considerably lower levels. This two-level pattern of funding shifted in FY 1990. Financial capital funding fell off as program financing was completed. Areas gaining funds in FY 1990 were technology/innovation and human capital. The gain in technology/innovation funding pushed that area up toward levels enjoyed by business environment, shifting the funding picture more toward a two-level pattern with only two major areas of funding. The conclusion drawn from the combination of reduced levels of funding and the shift to fund only two strategic areas at higher levels is that the state's economic development funding has, by necessity, become more focused.

Table 3.1

## ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION

Strategic Foundation:	No. of Programs	KANSAS		PER CAPITA		Percent Change
		STATE FUNDS		1989	1990	
		1989	1990	1989	1990	
A) Business Environment	8	\$7,115,775	\$6,328,811	\$2.85	\$2.54	-11.06%
B) Financial Capital	5	5,760,000	2,130,000	2.31	0.85	-63.02
C) Human Capital	2	2,700,000	3,450,000	1.08	1.38	27.78
D) Infrastructure	1	1,738,845	800,000	0.70	0.32	-53.99
E) Quality of Life	14	1,762,122	1,867,186	0.71	0.75	5.96
F) Technology/Innovation	7	4,557,952	5,749,136	1.83	2.30	26.13
<b>TOTAL</b>	<b>37</b>	<b>\$23,634,694</b>	<b>\$20,325,133</b>	<b>\$9.47</b>	<b>\$8.14</b>	<b>-14.00%</b>

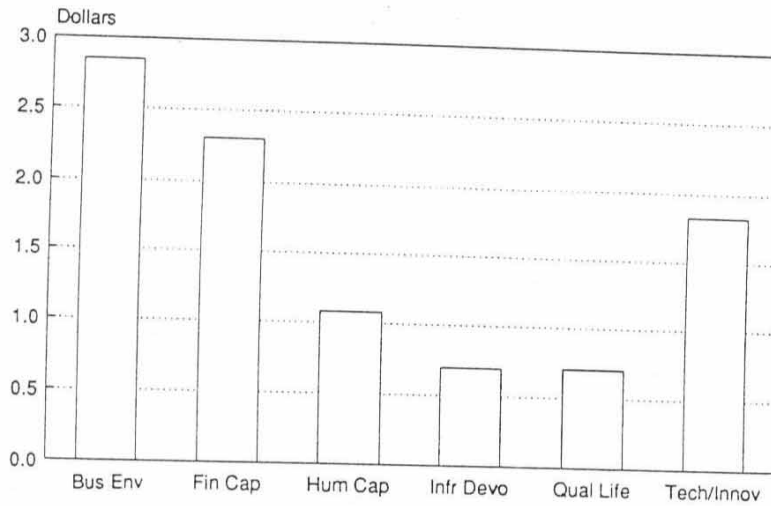
Source: 1990 Institute for Public Policy and Business Research Survey of States.

## 2. State Funding Per Capita

Per capita spending averaged \$9.47 in FY 1989 and \$8.14 in FY 1990.<sup>1</sup> The state ranked fifth in FY 1989 in state funds spent per capita and eighth in FY 1990. In FY 1989, business environment and financial capital programs received over \$2.00 per capita in state funds (Figure 12). Technology/innovation programs received \$1.83 per capita. In FY 1990, only one area, business environment, exceeded \$2.50 per capita (Figure 13). State per capita funding fell from \$2.85 to \$2.54 for business environment programs. Technology/innovation programs rose to \$2.30 per capita in 1990 and human capital programs increased to \$1.38 per capita.

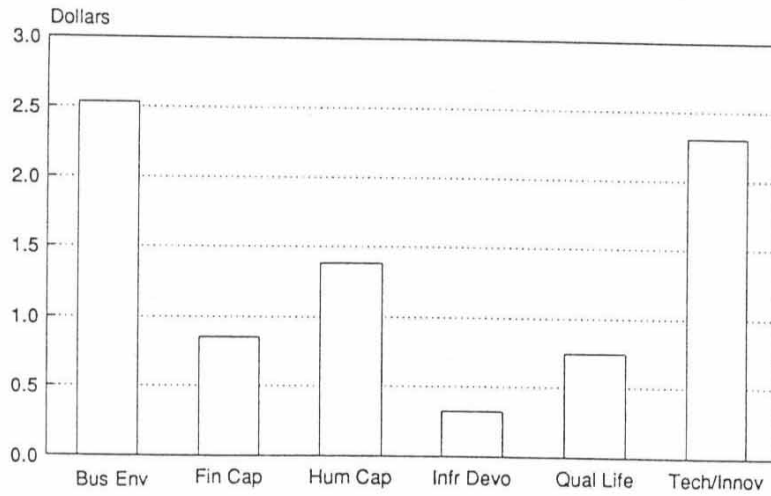
<sup>1</sup>Kansas population: 2,496,000. U.S. department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.

Figure 12  
 State Support by Strategic Foundation  
 1989 Funding for Kansas (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 13  
 State Support by Strategic Foundation  
 1990 Funding for Kansas (Per Capita)



Source: 1990 IPPBR Survey of States

### 3. Distribution of State Funds

Figures 14 and 15 show the distribution of state funds for FY 1989 and FY 1990. The largest share of state funds in FY 1989 went to business environment (30.1%), financial capital (24.4%), and technology-innovation (19.5%). In FY 1990, distribution shifted to two dominant areas: business environment (31.1%) and technology/innovation (28.3%). Again, funding for Kansas seemed to shift from a two-level pattern with higher funding levels for three strategic areas to a two-level pattern with higher funding for only two strategic areas. Thus, budgetary constraints may have forced the state toward a more focused economic development funding pattern.

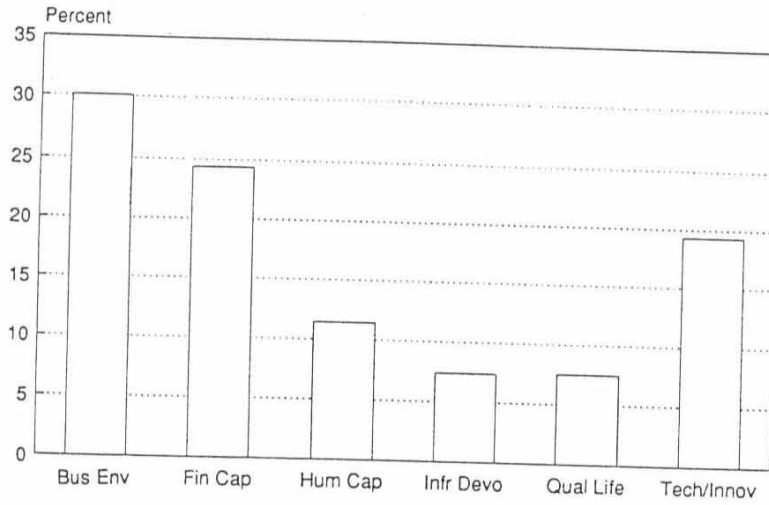
### 4. State Funding and Trends by Strategic Foundation

Programs were grouped by categories within each of the six strategic foundations (e.g., business environment). This allowed for analysis of funding within each foundation.

Business Environment. For business environment programs, categories receiving the most state funds were out of state industrial recruitment and tourism (Table 3.2). Categories showing the largest increase in funding from FY 1989 to FY 1990 were community/urban development and tourism and image promotion. Out of state industrial recruitment, while maintaining the largest share of state dollars in FY 1989, showed a decrease of 64% in state funding from FY 1989 to FY 1990. When asked to predict funding trends over the next five years, 50% of the programs were predicted to receive increases in funding.

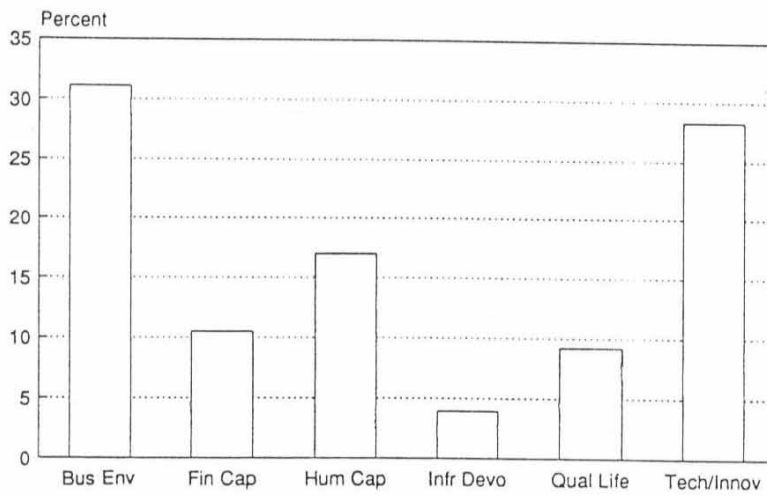
Financial Capital. Financial capital funding fell from FY 1989 to FY 1990 because of drops in state funding of risk financing and equity investments (Table 3.3). In the case of the Ad Astra Fund, funding dropped because the goal of \$2 million in capitalization was reached. Funding for Kansas Venture Capital dropped

Figure 14  
Percent Share by Strategic Foundation  
1989 State Funding for Kansas



Source: 1990 IPPBR Survey of States

Figure 15  
Percent Share by Strategic Foundation  
1990 State Funding for Kansas



Source: 1990 IPPBR Survey of States

Table 3.2  
BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES:  
STATE FUNDS FOR KANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	1	\$3,022,838	\$1,077,395	\$1.21	\$0.43	-64.36%
B) Int'l promo, recruitment, representation	1	409,740	390,000	0.16	0.16	-4.82%
C) Business export	1	587,029	800,785	0.24	0.32	36.41%
D) SBDCs	1	275,000	275,000	0.11	0.11	0.00%
E) Business retention and expansion	1	777,213	824,555	0.31	0.33	6.09%
F) Community/urban development	1	621,181	958,098	0.25	0.38	54.24%
G) Rural development	0					
H) Tourism and image promotion	1	1,056,004	1,655,039	0.42	0.66	56.73%
I) Major indust. support	0					
J) Eco devo research	1	366,770	347,939	0.15	0.14	-5.13%
K) Eco devo liaison	0					
L) Database devel.	0					
M) Bus. incubators	0					
N) Film promo	0					
<b>TOTAL</b>	<b>8</b>	<b>\$7,115,775</b>	<b>\$6,328,811</b>	<b>\$2.85</b>	<b>\$2.54</b>	<b>-11.06%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Table 3.3  
FINANCIAL CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR KANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Loan/bond financing	1	\$ 425,000	\$ 425,000	\$0.17	\$0.17	0.00%
B) Risk financing/equity investments	2	5,335,000	1,105,000	2.14	0.44	-79.29
C) Small business financing	0					
D) Export financing	2	0	600,000	0.00	0.24	N/A
<b>TOTAL</b>	<b>5</b>	<b>\$5,760,000</b>	<b>\$2,130,000</b>	<b>\$2.31</b>	<b>\$0.85</b>	<b>-63.02</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

for similar reasons. Funding increases over the next five years were predicted for only 20% of the programs.

Human Capital. Kansas invested in training assistance for new and expanding companies as well as existing companies (Table 3.4). Funding levels increased from \$2.7 million to \$3.45 million in the period surveyed. Future funding trends were not predicted for these training programs.

Table 3.4

HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR KANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	0					
B) Training assist. for new & expanding co.	1	\$2,700,000	\$3,450,000	\$1.08	\$1.38	27.78%
C) Training assist for existing co.	1	*	*			
D) Bus/education training partnership	0					
<b>TOTAL</b>	<b>2</b>	<b>\$2,700,000</b>	<b>\$3,450,000</b>	<b>\$1.08</b>	<b>\$1.38</b>	<b>27.78%</b>

\* Included in above total

Source: 1990 Institute for Public Policy and Business Research State Survey.

Infrastructure Development. Table 3.5 shows the large decrease in funding of Kansas infrastructure programs. The Kansas Partnership Fund (the only program included in this foundation), which provides loans to communities, received substantial budget cuts. Funding trends for this program could not be predicted.

Quality of Life. Programs impacting the quality of life fared better. State support for community arts programs increased by nearly 21% (Table 3.6). None of the programs in this foundation were predicted to receive funding increases for the next five years.



Table 3.5

INFRASTRUCTURE PROGRAM CATEGORIES:  
STATE FUNDS FOR KANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) General loans/grants to communities	1	\$1,738,845	\$800,000	\$0.70	\$0.32	-53.99%
B) Site develop/business park loans/grants	0					
<b>TOTAL</b>	<b>1</b>	<b>\$1,738,845</b>	<b>\$800,000</b>	<b>\$0.70</b>	<b>\$0.32</b>	<b>-53.99%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Table 3.6

QUALITY OF LIFE PROGRAM CATEGORIES:  
STATE FUNDS FOR KANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Community arts program (facilities/resources)	11	\$692,622	\$812,686	\$0.21	\$0.25	20.90%
B) Public TV/radio grants/support	2	1,024,500	1,029,500	0.24	0.23	-4.92%
C) Other: historical preservation	1	45,000	25,000	0.02	0.01	-44.44%
<b>TOTAL</b>	<b>14</b>	<b>\$1,762,122</b>	<b>\$1,867,186</b>	<b>\$0.71</b>	<b>\$0.75</b>	<b>5.96%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Technology/Innovation. Table 3.7 summarizes funding levels for technology/innovation program categories. Start up of several new programs contributed to funding increases. Categories where new programs were funded included Centers of Excellence at the state's universities and industrial liaison offices. In total dollars allocated, Centers of Excellence received the greatest support in FY 1990 followed by grants made to firms to support research and product development.

Forty-three percent of the programs predicted increased funding over the next five years.

Table 3.7

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR KANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	2	\$2,200,000	\$1,500,000	\$0.88	\$0.60	-31.82%
B) Applied tech centers, R&D centers of excell.	1	1,587,952	3,046,136	0.64	1.22	91.83%
C) Small bus. research loans/grants/assist.	1	300,000	150,000	0.12	0.06	-50.00%
D) Univ/bus partnership	0					
E) Inventor/royalty grants	0					
F) Patent information and assistance	0					
G) Technology offices	0					
H) Value-added programs and assistance	1	175,000	425,000	0.07	0.17	142.86%
I) Technical/technology assist; tech transfer	2	295,000	628,000	0.12	0.25	112.88%
J) Other						
<b>TOTAL</b>	<b>7</b>	<b>\$4,557,952</b>	<b>\$5,749,136</b>	<b>\$1.83</b>	<b>\$2.30</b>	<b>26.13%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

For a complete description of every program included in each strategic foundation and additional data tables, see Appendix C.

**B. Total Funding: State, Federal, and Other Sources**

Because of the difficulty in collecting complete, accurate data, especially for FY 1990, regarding the amount of money received from federal and other (private industry, fees, donations, etc.) sources, analysis of total dollars used to fund economic development programs was limited. As Table 3.8 shows, the state funded 39.5% of the total budget in FY 1989. Because several programs did not yet

know the amount of federal and/or other dollars for FY 1990, an analysis of FY 1990's total budget would be premature.

Table 3.8  
ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS

KANSAS

FY 1989

Foundation:	TOTAL	State	Federal	Other
Business Environment	\$22,573,555	31.5%	63.7%	4.8%
Financial Capital	11,395,148	50.5		29.5
Human Capital	3,400,000	79.4	20.6	
Infrastructure	1,738,845	100.0		
Quality of Life	3,927,715	44.9	7.9	47.2
Technology/Innovation	16,840,952	27.1	8.7	64.2
<b>TOTAL</b>	<b>\$59,876,215</b>	<b>39.5%</b>	<b>28.2%</b>	<b>32.4%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

C. Administration and Staffing

Eight different agencies or organizations administered the 37 programs and divisions included in the analysis. Agencies included were: Department of Commerce, Kansas Inc., U.S. Small Business Administration, Kansas Development Finance Authority, Kansas Technology Enterprise Corporation (KTEC), Kansas Venture Capital Inc., Department of Education, and the Kansas Arts Commission.

The accuracy of staffing data cannot be guaranteed since reliability checks were not aimed at these data. However, the data do provide some indication of the number of staff used by the programs. Staffing of Kansas programs increased from FY 1989 to FY 1990 (Table 3.9).

Table 3.9

## STAFFING FOR KANSAS ECONOMIC DEVELOPMENT PROGRAMS

	FY 1989	FY 1990
Business Environment	88.5	98
Financial Capital	8	12
Human Capital	2	2
Infrastructure Development	0	2
Quality of Life	31.5	33.5
Technology/Innovation	4	10.5
<b>Total</b>	<b>134</b>	<b>158</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

D. Conclusion

To summarize, Kansas was the only state whose state funding of economic development programs decreased (-14%) from FY 1989 to FY 1990. Kansas ranked seventh in total state dollars spent in FY 1989 and ninth in FY 1990. The state ranked fifth in FY 1989 in state funds spent per capita and eighth in FY 1990. Twenty-two percent of the 37 programs or divisions were predicted to receive funding increases over the next five years. Programs within business environment and technology/innovation were most optimistic about future funding increases. Programs in these areas received the greatest share of Kansas' state funds in FY 1990. These results suggest that the state had a two-level funding pattern, with business environment and technology/innovation emerging as areas of emphasis. In 1990, Kansas' top three funding areas were business environment, technology/innovation, and human capital.

## CHAPTER 4

### ARKANSAS' ECONOMIC DEVELOPMENT EXPENDITURES

Arkansas, a state of approximately 2,395,000 in population,<sup>2</sup> was included in the study because of its geographic proximity to Kansas.

#### A. State Funding

##### 1. Total State Funding

Arkansas ranked tenth in total state dollars spent in FY 1989 and seventh in FY 1990. State funds spent (FY 1989) or allocated (FY 1990) increased 99.26% from \$12,684,706 to \$25,275,203 (Table 4.1). Although this was not the largest dollar increase, the percent change was larger than any other state. An increase of approximately \$9 million in infrastructure funding accounted for much of the increase. In addition, funding of business environment programs more than doubled. These increases indicated that Arkansas' funding was heavily focused upon improving the infrastructure and improving the business environment, particularly relating to tourism (discussed below). Technology/innovation investment was also increasing. Also worth noting, funds allocated to quality of life programs exceeded those allocated to human capital programs. These trends may also be due to the importance placed upon tourism as a major industry.

##### 2. State Funding Per Capita

Per capita spending averaged \$5.30 in FY 1989 and increased to \$10.55 in FY 1990. Arkansas ranked tenth in FY 1989 in state funds spent per capita and sixth in FY 1990. In FY 1989, quality of life and business environment programs received, on average, over \$1.20 per capita; and no group of programs exceeded an average of \$1.50 per capita (Figure 16). That changed in FY 1990 (Figure 17).

<sup>2</sup>U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.

Business environment programs averaged almost \$3.00 per capita and infrastructure development programs averaged \$4.30 per capita.

Table 4.1

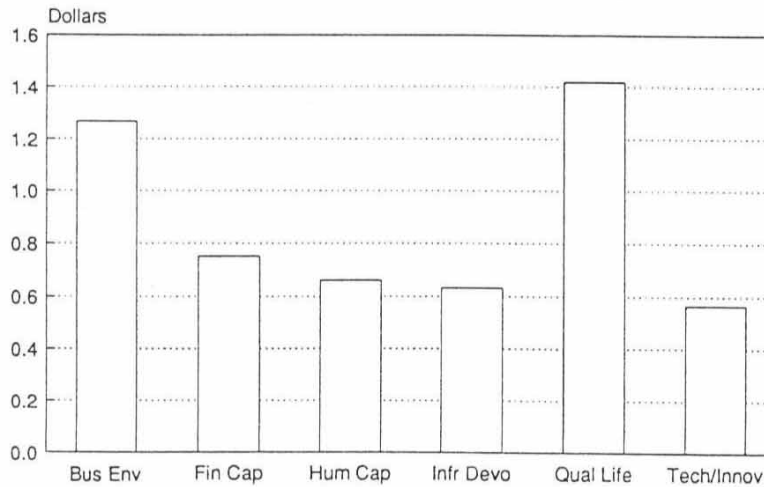
ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION

ARKANSAS

Strategic Foundation:	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Business Environment	9	\$3,036,166	\$7,005,180	\$1.27	\$2.92	130.72%
B) Financial Capital	1	1,800,000	0	0.75	0.00	-100.00%
C) Human Capital	2	1,580,000	1,688,300	0.66	0.70	6.85%
C) Infrastructure	2	1,513,641	10,307,501	0.63	4.30	580.97%
D) Quality of Life	2	3,400,000	3,800,000	1.42	1.59	11.76%
B) Technology/Innovation	4	1,354,899	2,474,222	0.57	1.03	82.61%
<b>TOTAL</b>	<b>20</b>	<b>\$12,684,706</b>	<b>\$25,275,203</b>	<b>\$5.30</b>	<b>\$10.55</b>	<b>99.26%</b>

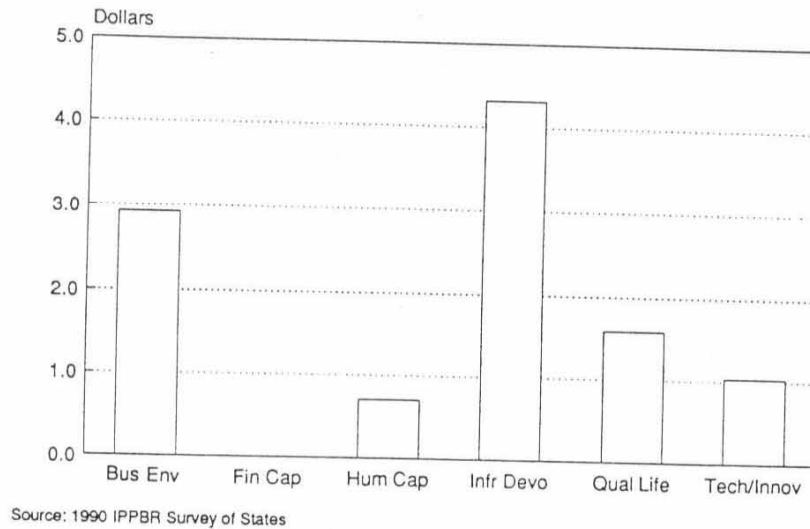
Source: 1990 Institute for Public Policy and Business Research Survey of States.

Figure 16  
State Support by Strategic Foundation  
1989 Funding for Arkansas (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 17  
 State Support by Strategic Foundation  
 1990 Funding for Arkansas (Per Capita)



### 3. Distribution of State Funds

Figures 18 and 19 show the distribution of state funds for FY 1989 and FY 1990. In FY 1989, business environment programs and quality of life programs received the largest share of state funds (approximately 25% of total share). In FY 1990, infrastructure development programs received the greatest share (over 40%), business environment received nearly 30%, and other strategic foundations received approximately 15% or lower. While the distribution of funds in FY 1989 was a two-level pattern, FY 1990 distribution shifted to a three-level pattern. This suggests that the state's funding was shifting toward a highly focused approach where one or two areas were heavily funded, and others were funded at much lower levels.

Figure 18  
 Percent Share by Strategic Foundation  
 1989 State Funding for Arkansas

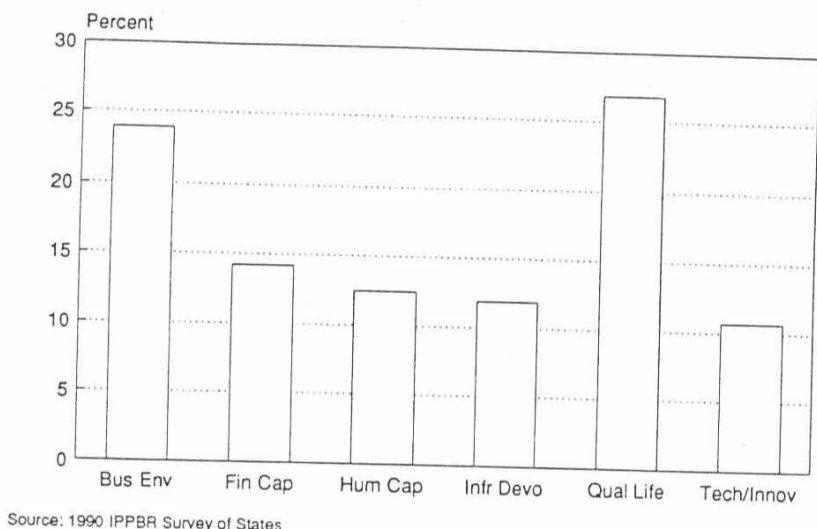
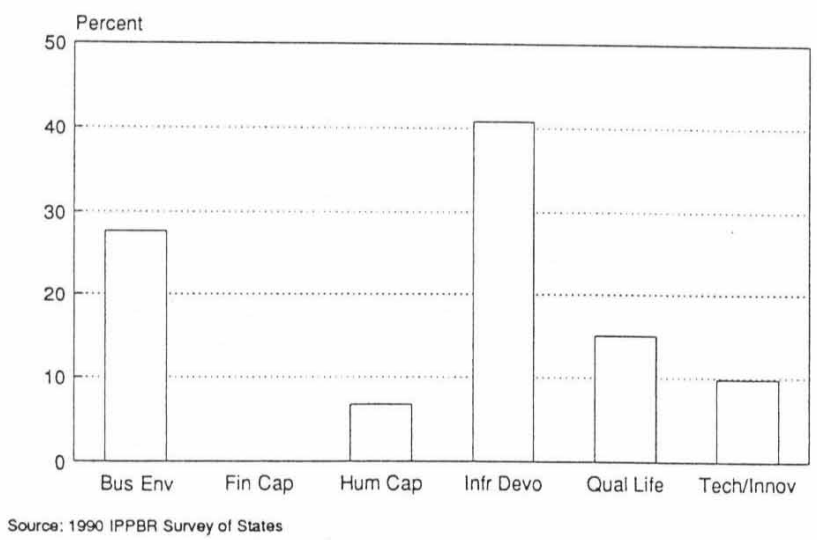


Figure 19  
 Percent Share by Strategic Foundation  
 1990 State Funding for Arkansas





#### 4. State Funding and Trends by Strategic Foundation

Programs were grouped by categories within each of the six strategic foundations. This allowed for analysis of funding within each foundation.

Business Environment. Programs categorized under business environment received significant increases in state funding from FY 1989 to FY 1990 (Table 4.2). Tourism and image promotion received the largest share of the business environment budget and enjoyed the largest increase. When asked to predict funding trends over the next five years, 67% of the programs were predicted to receive increases in funding.

Table 4.2

#### BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES: STATE FUNDS FOR ARKANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	1	\$200,000	\$220,000	\$0.08	\$0.09	10.00%
B) Int'l promo, recruitment, representation	2	685,000	685,000	0.29	0.29	0.00%
C) Business export	0					
D) SBDCs	0					
E) Business retention and expansion	1	153,000	165,627	0.06	0.07	8.25%
F) Community/urban development	0					
G) Rural development	1	214,160	254,396	0.09	0.11	18.79%
H) Tourism and image promotion	1	1,170,653	4,670,653	0.49	1.95	298.98%
I) Major indust. support	0					
J) Eco devo research	1	211,353	246,504	0.09	0.10	16.63%
K) Eco devo liaison	0					
L) Database devel.	1	152,000	163,000	0.06	0.07	7.24%
M) Bus. incubators	1	250,000	600,000	0.10	0.25	140.00%
N) Film promo	0					
<b>TOTAL</b>	<b>9</b>	<b>\$3,036,166</b>	<b>\$7,005,180</b>	<b>\$1.27</b>	<b>\$2.92</b>	<b>130.72%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Financial Capital. Financial capital funding in FY 1989 consisted of a one-time appropriation of \$1.8 million for a seed capital investment program (Table 4.3). Program operation will be financed by that allocation and its interest earnings from FY 1990 forward.

Table 4.3

FINANCIAL CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR ARKANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Loan/bond financing	0					
B) Risk financing/ equity investments	1	\$1,800,000	\$0	\$0.75	\$0.00	-100.00%
C) Small business financing	0					
D) Export financing	0					
<b>TOTAL</b>	<b>1</b>	<b>\$1,800,000</b>	<b>\$0</b>	<b>\$0.75</b>	<b>\$0.00</b>	<b>-100.00%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Human Capital. Arkansas invested in a quality and productivity program as well as in training assistance for new and expanding companies (Table 4.4). The greatest share of the investment went to training assistance. Funding levels for this strategic foundation increased slightly from FY 1989 to FY 1990. However, all programs were predicted to receive increases in state funding over the next five years.

Infrastructure Development. Table 4.5 shows the large increase in funding of Arkansas' infrastructure programs. The State Economic Development Infrastructure program received a large funding increase. This program provides grants to cities and counties for public works projects or job training which supports job creation or alleviates conditions which threaten public health. In FY 1988, \$10 million was appropriated for a two-year period (1988-1989). During that two-year

Table 4.4

**HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR ARKANSAS**

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	1	\$80,000	\$88,300	\$0.03	\$0.04	10.38%
B) Training assist. for new & expanding co.	1	1,500,000	1,600,000	0.63	0.67	6.67%
C) Training assist for existing co.	0					
D) Bus/education training partnership	0					
<b>TOTAL</b>	<b>2</b>	<b>\$1,580,000</b>	<b>\$1,688,300</b>	<b>\$0.66</b>	<b>\$0.70</b>	<b>6.85%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

period, \$7.8 million was spent. Since a little over \$1 million was spent in FY 1989, the majority was spent in FY 1988. In FY 1990, \$20 million was appropriated for another two-year period (FY 1990-1991). Thus, the biennial appropriation doubled. For the purposes of this study, appropriation for FY 1990 was estimated at \$10 million. Funding trends for the next five years could not be predicted.

Table 4.5

**INFRASTRUCTURE PROGRAM CATEGORIES:  
STATE FUNDS FOR ARKANSAS**

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) General loans/grants to communities	2	\$1,513,641	\$10,307,501	\$0.63	\$4.30	580.97%
B) Site develop/business park loans/grants	0					
<b>TOTAL</b>	<b>2</b>	<b>\$1,513,641</b>	<b>\$10,307,501</b>	<b>\$0.63</b>	<b>\$4.30</b>	<b>580.97%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Quality of Life. Arkansas supports programs impacting quality of life. The greatest share of the state's funds in this area went to public television (Table 4.6). Fifty percent of the programs were predicted to receive funding increases over the next five years. Arkansas considers historical preservation to be a key component of economic development funding because of its impact upon tourism efforts. However, to keep comparisons similar across states, such programs were not included in our analysis. For more information on historical preservation programs in Arkansas, see Appendix D.

Table 4.6

QUALITY OF LIFE PROGRAM CATEGORIES:  
STATE FUNDS FOR ARKANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Community arts program (facilities/resources)	1	\$1,000,000	\$1,000,000	\$0.42	\$0.42	0.00%
B) Public TV/radio grants/support	1	2,400,000	2,800,000	1.00	1.17	16.67%
C) Other: historical preservation	0					
<b>TOTAL</b>	<b>2</b>	<b>\$3,400,000</b>	<b>\$3,800,000</b>	<b>\$1.42</b>	<b>\$1.59</b>	<b>11.76%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Technology/Innovation. Table 4.7 summarizes funding levels for technology/innovation program categories. The state was increasing its support of programs in this area. Half of the programs were predicted to experience funding increases over the next five years.

A Research Development Fund has been started but was not included in our analysis. The Research Development Fund will use natural gas royalties from federal reservations for two activities. The first \$13 million accrued will be used to maintain building at institutions of higher education. The next \$10

million accrued will be used to strengthen college and university research efforts. As of spring 1990, less than \$5 million had accrued, so no funds had been released. However, once these funds are accrued and begin to be dispersed, they should have a significant impact upon Arkansas' economic development funding in the area of technology/innovation.

For a complete description of every program included in each strategic foundation and additional data tables, see Appendix D.

Table 4.7

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR ARKANSAS

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	1	\$403,981	\$600,000	\$0.17	\$0.25	48.52%
B) Applied tech centers, R&D centers of excell.	1	0	560,000	0.00	0.23	N/A
C) Small bus. research loans/grants/assist.	0					
D) Univ/bus partnership						
E) Inventor/royalty grants	0					
F) Patent information and assistance	0					
G) Technology offices	1	677,515	1,037,204	0.28	0.43	53.09%
H) Value-added programs and assistance	0					
I) Technical/technology assist; tech transfer	1	273,403	277,018	0.11	0.12	1.32%
J) Other						
<b>TOTAL</b>	<b>4</b>	<b>\$1,354,899</b>	<b>\$2,474,222</b>	<b>\$0.57</b>	<b>\$1.03</b>	<b>82.61%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

**B. Total Funding: State, Federal, and Other Sources**

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used

to fund economic development programs was limited. Table 4.8 shows the state funded 34% of the total budget in FY 1989, and federal funds contributed 60% of the total economic development budget.

Table 4.8

ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS

ARKANSAS

FY 1989

Foundation:	TOTAL	State	Federal	Other
Business Environment	\$3,557,013	85%	15%	
Financial Capital	\$1,800,000	100%		
Human Capital	\$1,644,000	96%	4%	
Infrastructure	\$22,523,804	7%	93%	1%
Quality of Life	\$5,735,000	59%	14%	27%
Technology/Innovation	\$1,915,010	71%	1%	28%
<b>TOTAL</b>	<b>\$37,174,827</b>	<b>34%</b>	<b>60%</b>	<b>6%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

C. Administration and Staffing

Eight different agencies or organizations administered the 20 programs and divisions included in the analysis. Agencies included were: Arkansas Industrial Development Commission, Arkansas Science and Technology Authority, Vo-Tech. Education Division, Department of Economic Development, Department of Higher Education, Department of Arkansas Heritage, Department of Parks and Tourism, and the Arkansas Center for Technology Transfer.

While the reliability of staffing data was not established, the data do provide some indication of number of staff used by the programs. Staffing for Arkansas programs remained fairly stable from FY 1989 to FY 1990 (Table 4.9).

Table 4.9

## STAFFING FOR ARKANSAS ECONOMIC DEVELOPMENT PROGRAMS

	FY 1989	FY 1990
Business Environment	63.5	68
Financial Capital	2	2
Human Capital	11.5	3.5
Infrastructure Development	20	22
Quality of Life	176	184
Technology/Innovation	37	37
<b>Total</b>	<b>310</b>	<b>316.5</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

D. Conclusion

To summarize, Arkansas ranked tenth in total state dollars spent in FY 1989 and seventh in FY 1990. State funds spent (FY 1989) or allocated (FY 1990) increased 99.26%. Arkansas ranked tenth in FY 1989 in state funds spent per capita and sixth in FY 1990. Fifty-five percent of the 20 programs were predicted to experience funding increases over the next five years. Based upon funding levels, the state was focused upon business environment programs and infrastructure development programs in a two-level (high-low) funding pattern. In FY 1990, Arkansas' top three strategic foundations were infrastructure development, business environment, and quality of life.

## CHAPTER 5

### COLORADO'S ECONOMIC DEVELOPMENT EXPENDITURES

Colorado, a state of approximately 3,301,000 in population,<sup>3</sup> was included in the study because of its geographic proximity to Kansas.

#### A. State Funding

##### 1. Total State Funding

Colorado ranked eighth in total state dollars spent in FY 1989 and FY 1990. State funds spent (FY 1989) or allocated (FY 1990) increased 5.74% from \$20,011,076 to \$21,159,618 (Table 5.1). When ranked with other states in the percentage of change in state funding, Colorado ranked seventh. Business environment funding held steady from FY 1989 to FY 1990, and human capital funding increased. While Colorado had fewer funds to spend on economic development programs than most other states surveyed, its use of those funds was highly focused upon one area.

##### 2. State Funding Per Capita

Per capita spending averaged \$6.06 in FY 1989 and \$6.41 in FY 1990. Colorado ranked ninth in state funds spent per capita for FY 1989 and FY 1990. In FY 1989, business environment programs received an average of \$4.50 per capita and no other group of programs averaged over \$0.68 per capita (Figure 20). Similar patterns held for FY 1990 (Figure 21).

##### 3. Distribution of State Funds

Figures 22 and 23 show the distribution of state funds for FY 1989 and FY 1990. In FY 1989 and 1990, business environment programs received the largest share of state funds. The distribution patterns, while showing no major shift

<sup>3</sup>U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.



Table 5.1

## ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION

## COLORADO

Strategic Foundation:	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Business Environment	11	\$14,845,518	\$15,140,846	\$4.50	\$4.59	1.99%
B) Financial Capital	1	2,000,000	1,500,000	\$0.61	\$0.45	-25.00%
C) Human Capital	2	921,869	1,803,000	\$0.28	\$0.55	95.58%
D) Infrastructure	0			\$0.00	\$0.00	
E) Quality of Life	0			\$0.00	\$0.00	
F) Technology/Innovation	2	2,243,689	2,715,772	\$0.68	\$0.82	21.04%
<b>TOTAL</b>	<b>16</b>	<b>\$20,011,076</b>	<b>\$21,159,618</b>	<b>\$6.06</b>	<b>\$6.41</b>	<b>5.74%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

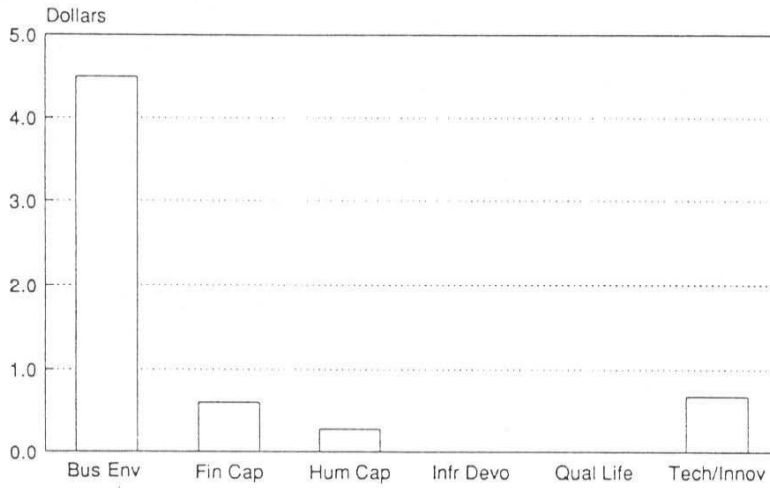
away from the two-level funding pattern, did show slight adjustments occurring. Financial capital programs' loss may have been human capital programs' gain. The change was too small to conclude that a major shift toward human capital funding was occurring.

#### 4. State Funding and Trends by Strategic Foundation

Programs were grouped by categories within each strategic foundation. This allowed for analysis of funding within each foundation or area.

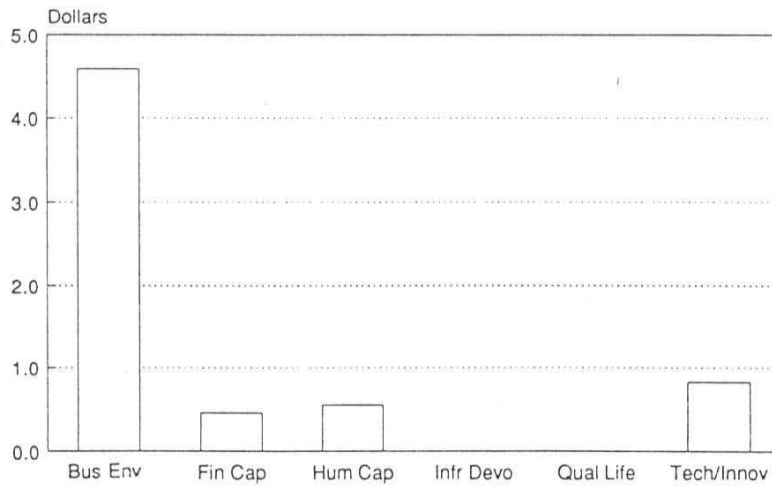
Business Environment. Programs categorized under business environment are presented in Table 5.2. Tourism and image promotion, economic development research, and international promotion-recruitment-representation programs received the largest level of funding. Several program categories showed decreases in funding from FY 1989 to FY 1990, with business retention and expansion showing the largest negative percent change. When asked to predict funding trends over the next five years, 18% of the programs were predicted to receive funding increases.

Figure 20  
State Support by Strategic Foundation  
1989 Funding for Colorado (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 21  
State Support by Strategic Foundation  
1990 Funding for Colorado (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 22  
 Percent Share by Strategic Foundation  
 1989 State Funding for Colorado

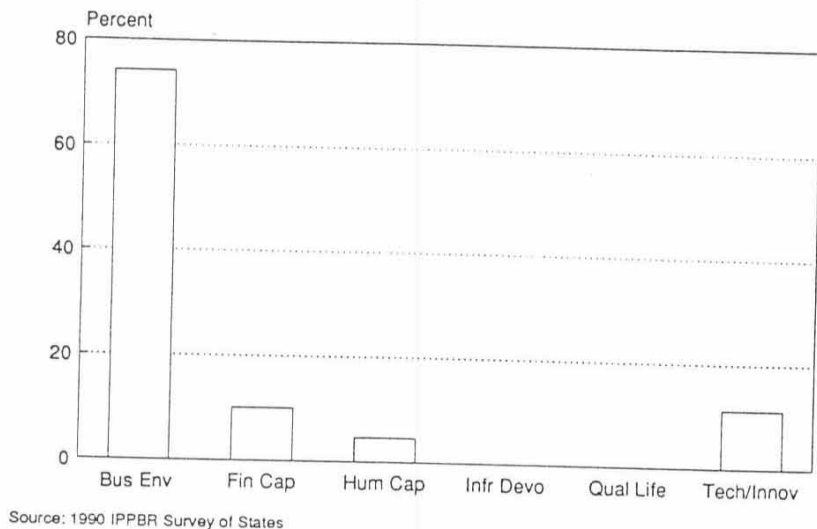


Figure 23  
 Percent Share by Strategic Foundation  
 1990 State Funding for Colorado

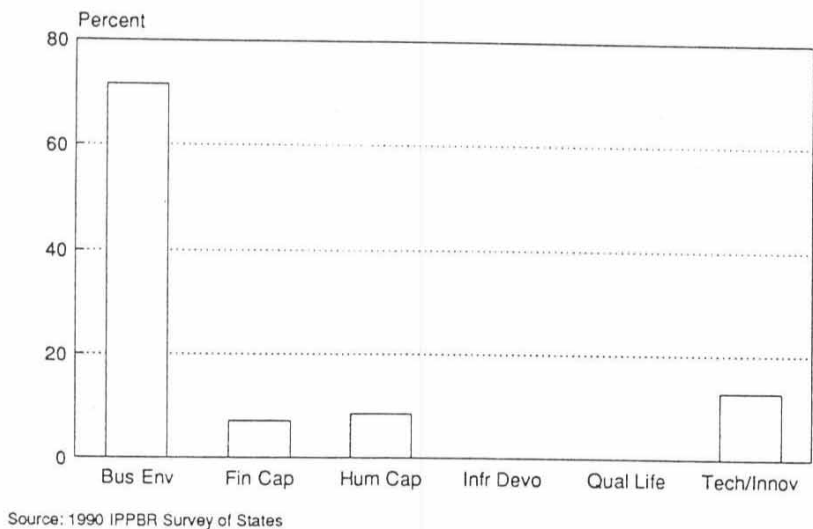


Table 5.2

BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES:  
STATE FUNDS FOR COLORADO

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	0					
B) Int'l promo, recruitment, representation	1	\$793,126	\$931,617	\$0.24	\$0.28	17.46%
C) Business export	0					
D) SBDCs	1	379,847	601,864	0.12	0.18	58.45%
E) Business retention and expansion	1	1,300,000	785,869	0.39	0.24	-39.55%
F) Community/urban development	0					
G) Rural development	1	342,061	388,828	0.10	0.12	13.67%
H) Tourism and image promotion	1	8,021,705	8,806,285	2.43	2.67	9.78%
I) Major indust. support	1	471,895	396,660	0.14	0.12	-15.94%
J) Eco devo research	1	2,562,107	2,239,672	0.78	0.68	-12.58%
K) Eco devo liaison	0					
L) Database devel.	0					
M) Bus. incubators	0					
N) Film promo	1	339,961	325,000	0.10	0.10	-4.40%
O) Other:						
Admin. assist.	1	209,529	247,051	0.06	0.07	17.91%
Sm. bus. creation/dev.	1	418,500	418,000	0.13	0.13	-0.12%
Regulatory assist.	1	6,787	0	0.00	0.00	-100.00%
<b>TOTAL</b>	<b>11</b>	<b>\$14,845,518</b>	<b>\$15,140,846</b>	<b>\$4.50</b>	<b>\$4.59</b>	<b>1.99%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Financial Capital. Financial capital funding in FY 1989 went to the Community Development Block Grant Fund (categorized as Other) for financing rural businesses (Table 5.3). State support for this program decreased from FY 1989 to FY 1990, but funding increases were predicted over the next five years.

Human Capital. Colorado invested in training for new and expanding programs (Table 5.4). In FY 1990, a pilot project concentrated upon upgrading skills of workers in existing industries. Funding for human capital increased substantially (95.58%) from FY 1989 to FY 1990.

Table 5.3

FINANCIAL CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR COLORADO

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Loan/bond financing						
B) Risk financing/ equity investments	0					
C) Small business financing	0					
D) Export financing	0					
E) Other	1	2,000,000	1,500,000	0.61	0.45	-25.00%
<b>TOTAL</b>	<b>1</b>	<b>\$2,000,000</b>	<b>\$1,500,000</b>	<b>\$0.61</b>	<b>\$0.45</b>	<b>-25.00%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Table 5.4

HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR COLORADO

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	0					
B) Training assist. for new & expanding co.	1	\$921,869	\$1,451,000	\$0.28	\$0.44	57.40%
C) Training assist for existing co.	1	0	352,000	\$0.00	\$0.11	N/A
D) Bus/education training partnership	0					
<b>TOTAL</b>	<b>2</b>	<b>\$921,869</b>	<b>\$1,803,000</b>	<b>\$0.28</b>	<b>\$0.55</b>	<b>95.58%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey

Infrastructure, Quality of Life, Technology/Innovation. Colorado did not fund any programs that could be defined as economic development programs in the areas of infrastructure development or quality of life. In the area of technology/innovation (Table 5.5), the state supported programs that were categorized as research centers and provided some support for small business technical assis-

tance. None of the technology/innovation programs predicted increases in the next five years.

Table 5.5

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR COLORADO

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	0					
B) Applied tech centers, R&D centers of excell.	1	\$2,243,689	\$2,515,772	\$0.68	\$0.76	12.13%
C) Small bus. research loans/grants/assist.	1	0	200,000	0.00	0.06	N/A
D) Univ/bus partnership						
E) Inventor/royalty grants	0					
F) Patent information and assistance	0					
G) Technology offices	0					
H) Value-added programs and assistance	0					
I) Technical/technology assist; tech transfer	0					
J) Other						
<b>TOTAL</b>	<b>2</b>	<b>\$2,243,689</b>	<b>\$2,715,772</b>	<b>\$0.68</b>	<b>\$0.82</b>	<b>21.04%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

For a complete description of every program included in each strategic foundation and additional data tables, see Appendix E.

**B. Total Funding: State, Federal, and Other Sources**

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used to fund economic development programs was difficult. Table 5.6 shows that the state funded 61% of the total budget in FY 1989.

Table 5.6

## ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS

## COLORADO

FY 1989

Foundation:	TOTAL	State	Federal	Other
Business Environment	\$16,006,536	93%	6%	2%
Financial Capital	\$4,750,000	42%	58%	
Human Capital	\$921,869	100%		
Infrastructure	\$0			
Quality of Life	\$0			
Technology/Innov.	\$11,330,374	20%	42%	38%
<b>TOTAL</b>	<b>\$33,008,779</b>	<b>61%</b>	<b>25%</b>	<b>14%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

C. Administration and Staffing

Colorado had more agencies or organizations administering its 16 economic development programs than any other state. Thirteen different agencies were involved. These included the following State Departments: Economic Development, Local Affairs, Agriculture, Regulatory Affairs, and Labor. Others included: U.S. Small Business Administration, Tourism Board, University of Colorado, Agriculture Development Authority, Community College System, Governor's Job Training Office, and Colorado Advanced Technology Institute.

While the reliability of staffing data was not established, data are presented as an indication of staff utilized by economic development programs. Staffing for Colorado programs remained fairly stable from 1989 to 1990 (Table 5.7).

Table 5.7

STAFFING FOR COLORADO ECONOMIC DEVELOPMENT PROGRAMS

	FY 1989	FY 1990
Business Environment	127.99	118.05
Financial Capital	3.25	3.25
Human Capital	5.4	5.4
Infrastructure Development	0	0
Quality of Life	0	0
Technology/Innovation	5.3	10.3
<b>Total</b>	<b>141.94</b>	<b>137.0</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

D. Conclusion

To summarize, Colorado ranked eighth in total state dollars spent in FY 1989 and FY 1990. State funds spent (FY 1989) or allocated (FY 1990) increased 5.74%. Colorado ranked ninth in per capita spending in FY 1989 and FY 1990. Only 19% of the 16 programs were predicted to experience funding increases over the next five years. Based upon funding levels, the state's economic development funding focused almost exclusively upon business environment programs in a highly focused two-level funding pattern. Although Colorado funded only four strategic foundations, the top three in terms of funding in FY 1990 were business environment, technology/innovation, and human capital.



## CHAPTER 6

### INDIANA'S ECONOMIC DEVELOPMENT EXPENDITURES

Indiana, a state of approximately 5,556,000 in population,<sup>4</sup> was included in the study because of its strongly pro-active history of economic development activities. The original strategic economic development plan was put forth in 1984, so Indiana has a six year history in this area. In that original plan, three major areas were focused upon: (1) management and leadership, (2) competitive business support, and (3) economic development resources.<sup>5</sup>

#### A. State Funding

##### 1. Total State Funding

Indiana ranked third in total state dollars spent in FY 1989 and fourth in FY 1990. State funds spent (FY 1989) or allocated (FY 1990) increased only 0.62% from \$47,911,907 to \$48,206,898 (Table 6.1). This lack of change was due to a two-year period of evaluation of the state's economic development programs. That evaluation is predicted to result in shifts in economic development funding. Despite the holding pattern that makes comparisons across years uninformative, Table 6.1 reveals that Indiana economic development funding was focused upon two strategic areas: human capital and business environment. Financial capital programs and technology/innovation programs were funded at lower levels (approximately \$8 million to \$9 million range).

According to the Indiana Economic Development Council, which is responsible for coordinating the activities of the numerous economic development organiza-

<sup>4</sup>U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.

<sup>5</sup>Indiana Economic Development Council, Inc. (1987). Looking back: The update of Indiana's strategic economic development plan - an evaluation of progress to date.

Table 6.1

## ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION

## INDIANA

Strategic Foundation:	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Business Environment	20	\$12,004,132	\$11,954,430	\$2.16	\$2.15	-0.41%
B) Financial Capital	4	9,292,775	9,597,468	1.67	1.73	3.28%
C) Human Capital	3	16,800,000	16,800,000	3.02	3.02	0.00%
D) Infrastructure	1	1,915,000	1,915,000	0.34	0.34	0.00%
E) Quality of Life	1	0	40,000	0.00	0.01	N/A
F) Technology/Innovation	2	7,900,000	7,900,000	1.42	1.42	0.00%
<b>TOTAL</b>	<b>31</b>	<b>\$47,911,907</b>	<b>\$48,206,898</b>	<b>\$8.62</b>	<b>\$8.68</b>	<b>0.62%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

tions and development of long-term plans, Indiana's economic development strategy should continue to focus upon human capital:

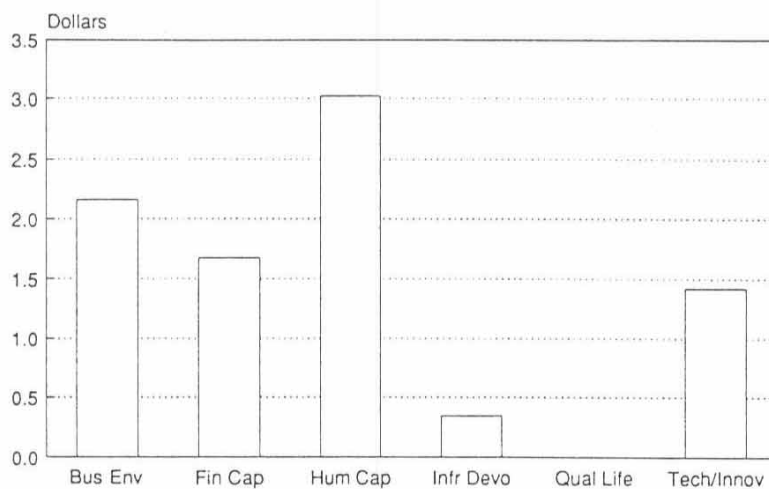
"In order to influence the impact of these global changes in Indiana, we must reposition these key institutions. That repositioning is the core of Indiana's economic development strategy. The following eight categories of emphasis have been selected because of their strategic importance to Indiana's long term growth prospects: preparing the workforce; improving labor and management cooperation; strengthening our technological competitiveness; assuring a reliable supply and competitive price of energy; increasing the flow of capital for an expanding economy; providing public facilities to support economic growth; improving the structure and delivery of economic development programs; and providing services to help create and strengthen business."<sup>6</sup>

## 2. State Funding Per Capita

Per capita spending averaged \$8.62 in FY 1989 and \$8.68 in FY 1990. Indiana ranked seventh in state funds spent per capita in both years. In FY 1989 and 1990, human capital programs averaged about \$3.00 (Figures 24 and 25). Three

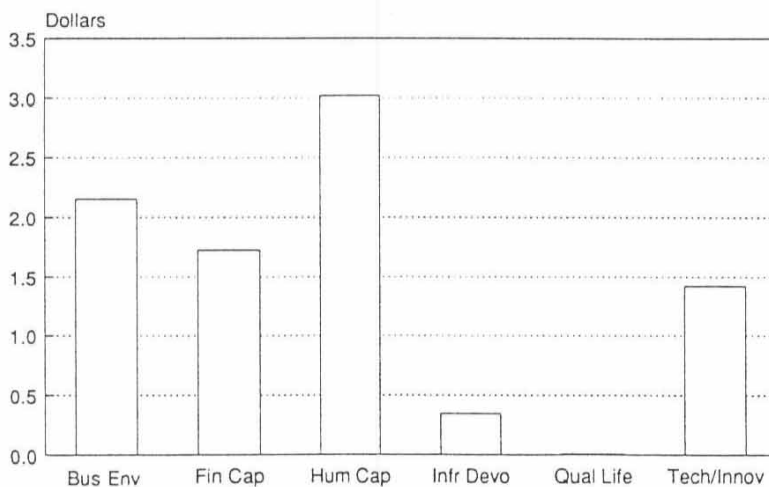
<sup>6</sup>Indiana Economic Development Council, Inc. (1987-88). Looking forward: The update of Indiana's strategic economic development plan - strategies for the future, pg. 26.

Figure 24  
State Support by Strategic Foundation  
1989 Funding for Indiana (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 25  
State Support by Strategic Foundation  
1990 Funding for Indiana (Per Capita)



Source: 1990 IPPBR Survey of States

strategic areas, business environment, financial capital, and technology/innovation, clustered in a mid-range of \$1.42 to \$2.16, while infrastructure and quality of life programs average far less (\$0.01 to \$0.34).

### **3. Distribution of State Funds**

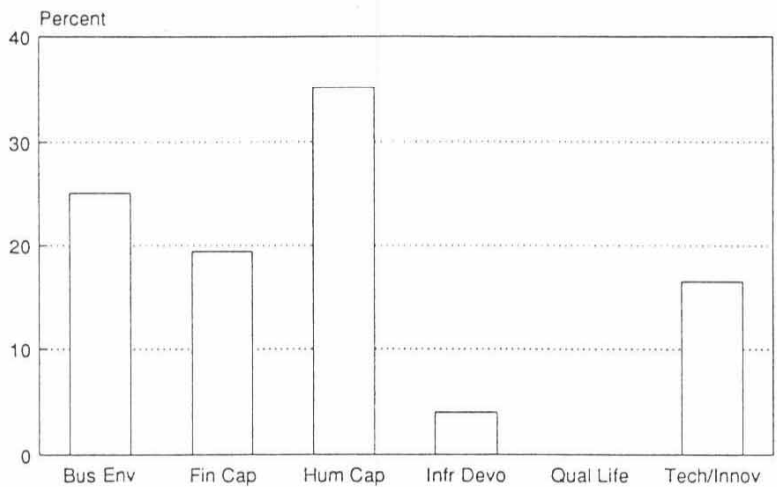
Figures 26 and 27 show the distribution of state funds for FY 1989 and FY 1990. In FY 1989 and 1990, human capital programs received approximately 35% of the total share of state economic development funds. Both in total dollars spent and in total share, human capital programs emerged as the focus of Indiana's economic development funding. Business environment programs, financial capital, and technology/innovation programs commanded a sizeable share (range: 16% to 25%). Little attention was given to infrastructure and quality of life areas. However, the state may have supported these areas with projects or programs that did not fit the definition of economic development programs. This analysis suggests that Indiana had a three-level funding pattern: highly funded areas (human capital); moderately funded areas (business environment, financial capital, technology/innovation), and minimally funded areas (infrastructure development, quality of life).

### **4. State Funding and Trends by Strategic Foundation**

Programs were grouped by categories within each of the six strategic foundations. This allowed for analysis of funding within each foundation.

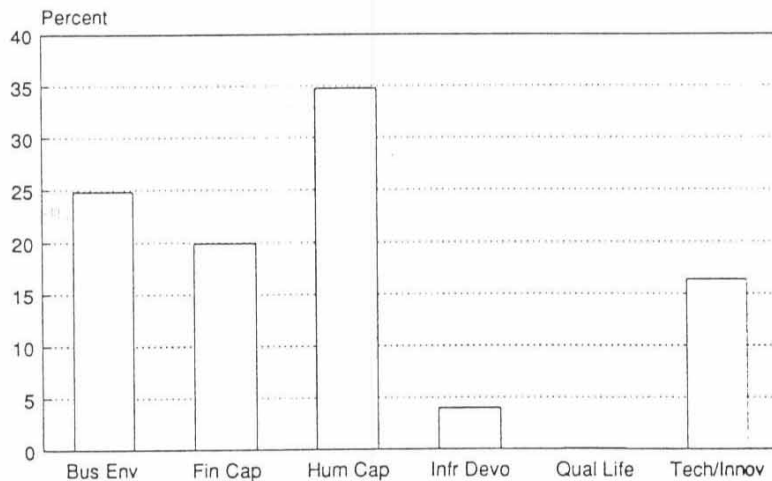
Business Environment. Program categories under business environment receiving largest funding levels included tourism and image promotion, community/urban development, and other--new business creation/development (Table 6.2). Business incubators and economic development research also received \$1 million or more. Indiana was one of the few states with no out-of-state industrial recruitment programs. It also had one of the smaller international

Figure 26  
 Percent Share by Strategic Foundation  
 .1989 State Funding for Indiana



Source: 1990 IPPBR Survey of States

Figure 27  
 Percent Share by Strategic Foundation  
 1990 State Funding for Indiana



Source: 1990 IPPBR Survey of States

Table 6.2

BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES:  
STATE FUNDS FOR INDIANA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	0					
B) Int'l promo, recruitment, representation	0					
C) Business export	2	\$350,000	\$350,000	\$0.06	\$0.06	0.00%
D) SBDCs	0					
E) Business retention and expansion	0					
F) Community/urban development	5	2,532,658	2,532,746	0.46	0.46	0.00%
G) Rural development	1	135,362	135,362	0.02	0.02	0.00%
H) Tourism and image promotion	3	4,009,916	4,009,916	0.72	0.72	0.00%
I) Major indust. support	0					
J) Eco devo research	2	1,219,243	1,219,243	0.22	0.22	0.00%
K) Eco devo liaison	0					
L) Database devel.	0					
M) Bus. incubators	1	1,000,000	1,000,000	0.18	0.18	0.00%
N) Film promo	1	210,904	210,992	0.04	0.04	0.04%
O) Other:						
New bus creation/dev	2	1,925,000	1,925,000	0.35	0.35	0.00%
Mktg & Tech Assist	2	496,049	446,171	0.09	0.08	-10.06%
Primary & Sec Ed	1	125,000	125,000	0.02	0.02	0.00%
<b>TOTAL</b>	<b>20</b>	<b>\$12,004,132</b>	<b>\$11,954,430</b>	<b>\$2.16</b>	<b>\$2.15</b>	<b>-0.41%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

promotion-recruitment-representation efforts. When asked to predict funding trends over the next five years, 35% of all programs predicted funding increases.

Financial Capital. Financial capital funding in FY 1989 and 1990 fell under loan/bond financing (Table 6.3). The programs included in this analysis provide grants and loans for existing businesses, provide loan/bond guarantees for small/mid-sized industrial development projects which retain or create jobs, and provide low-interest loans to new and expanding businesses. Funding increases over the next five years were predicted for 25% of the programs.

Table 6.3

FINANCIAL CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR INDIANA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Loan/bond financing	4	\$9,292,775	\$9,597,468	\$1.67	\$1.73	3.28%
B) Risk financing/equity invest.						
C) Small business financing						
D) Export financing						
<b>TOTAL</b>	<b>4</b>	<b>\$9,292,775</b>	<b>\$9,597,468</b>	<b>\$1.67</b>	<b>\$1.73</b>	<b>3.28%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Human Capital. Indiana invested heavily in human capital programs. The largest share of human capital funds went to training assistance for new and expanding companies (Table 6.4). Slightly lower amounts went to existing companies for training assistance. The worker assistance program (Indiana Public Law 38) was created to focus on displaced and potentially displaced workers. All human capital programs were predicted to receive funding increases over the next five years.

Table 6.4

HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR INDIANA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	0					
B) Training assist. for new & expanding co.	1	\$8,000,000	\$8,000,000	\$1.44	\$1.44	0.00%
C) Training assist for existing co.	1	5,100,000	5,100,000	\$0.92	\$0.92	0.00%
D) Bus/education training partnership	0					
E) Other: Worker Assistance	1	3,700,000	3,700,000	\$0.67	\$0.67	0.00%
<b>TOTAL</b>	<b>3</b>	<b>\$16,800,000</b>	<b>\$16,800,000</b>	<b>\$3.02</b>	<b>\$3.02</b>	<b>0.00%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Infrastructure Development. Indiana invested relatively few dollars in infrastructure programs specifically defined as economic development programs. The Industrial Development Program gave grants and/or loans to communities for various projects necessary to attract or retain businesses (Table 6.5). No funding increases were predicted for the next five years.

Table 6.5

INFRASTRUCTURE PROGRAM CATEGORIES:  
STATE FUNDS FOR INDIANA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) General loans/grants to communities	1	\$1,915,000	\$1,915,000	\$0.34	\$0.34	0.00%
B) Site develop/business park loans/grants	0					
<b>TOTAL</b>	<b>1</b>	<b>\$1,915,000</b>	<b>\$1,915,000</b>	<b>\$0.34</b>	<b>\$0.34</b>	<b>0.00%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Quality of Life. Economic development dollars were not allocated to any quality of life programs in FY 1989 and very few were allocated in FY 1990 (Table 6.6). In 1990, a grant was awarded for broadcast of an adult education (GED on TV) program. Funding increases were predicted over the next five years.

Table 6.6

QUALITY OF LIFE PROGRAM CATEGORIES:  
STATE FUNDS FOR INDIANA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Community arts program (facilities/resources)	0					
B) Public TV/radio grants/support	1	0	\$40,000	\$0.00	\$0.01	N/A
C) Other						
<b>TOTAL</b>	<b>1</b>	<b>\$0</b>	<b>\$40,000</b>	<b>\$0.00</b>	<b>\$0.01</b>	<b>N/A</b>

N/A--Percent change cannot be calculated when no dollars were allocated in 1989.

Source: 1990 Institute for Public Policy and Business Research State Survey.



Technology/Innovation. Table 6.7 summarizes funding levels for technology/innovation program categories. The major activity was conducted by the Indiana Corporation for Science and Technology, which is a partnership of businesses, government, and universities. Its purpose is to strengthen the state's economy through development and application of science and technology to industry. Over the next five years, funding increases were not predicted for any of the programs.

For a complete description of every program included in each strategic foundation and additional data tables, see Appendix F.

Table 6.7

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR INDIANA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	1	\$7,500,000	\$7,500,000	\$1.35	\$1.35	0.00%
B) Applied tech centers, R&D centers of excell.	0					
C) Small bus. research loans/grants/assist.	0					
D) Univ/bus partnership	0					
E) Inventor/royalty grants	0					
F) Patent information and assistance	0					
G) Technology offices	0					
H) Value-added programs and assistance	1	400,000	400,000	\$0.07	\$0.07	0.00%
I) Technical/technology transfer, info/network	0					
J) Other						
<b>TOTAL</b>	<b>2</b>	<b>\$7,900,000</b>	<b>\$7,900,000</b>	<b>\$1.42</b>	<b>\$1.42</b>	<b>0.00%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

B. Total Funding: State, Federal, and Other Sources

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used to fund economic development programs was limited. Table 6.8 shows the state funded 74% of the total budget in FY 1989, and federal funds contributed the remaining 26%.

Table 6.8

ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS

INDIANA

FY 1989

Foundation:	TOTAL	State	Federal	Other
Business Environment	\$12,154,132	99%	1%	
Financial Capital	14,174,775	66	34	
Human Capital	16,800,000	100		
Infrastructure	13,336,000	14	86	
Quality of Life	0			
Technology/Innov.	7,900,000	100		
<b>TOTAL</b>	<b>\$64,364,907</b>	<b>74%</b>	<b>26%</b>	

Source: 1990 Institute for Public Policy and Business Research Survey of States.

C. Administration and Staffing

Eight different agencies or organizations administered the 31 programs and divisions included in the analysis. Agencies included were: Department of Commerce, Indiana Commission of Agriculture and Rural Development, Indiana Institute for New Business Ventures, Indiana Employment Development Commission, Indiana Board of Vocational and Technical Education, Department of Employment and Training Services, Indiana Corporation for Science and Technology, Indiana Economic Development Council.

While the reliability of staffing data was not established, the data do provide some indication of number of staff used by the programs. Staffing for Indiana programs remained fairly stable from FY 1989 to FY 1990 (Table 6.9).

Table 6.9

STAFFING FOR INDIANA ECONOMIC DEVELOPMENT PROGRAMS		
	FY 1989	FY 1990
Business Environment	115	115
Financial Capital	63	63
Human Capital	82	78
Infrastructure Development	19	19
Quality of Life	0	0
Technology/Innovation	18	18
<b>Total</b>	<b>297</b>	<b>293</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

#### D. Conclusion

To summarize, Indiana ranked third in total state dollars spent in FY 1989 and fourth in FY 1990. State funds spent (FY 1989) or allocated (FY 1990) did not increase because of the ongoing evaluation of economic development programming occurring during those fiscal years. Indiana ranked seventh in state funds spent per capita in FY 1989 and 1990. Thirty-five percent of the 31 programs were predicted to experience funding increases over the next five years. Based upon analysis of funding levels, Indiana had a three-level funding pattern: human capital was the highly funded area; business environment, financial capital and technology/innovation were moderately funded; and infrastructure development and quality of life strategic foundations were minimally funded. In 1990, Indiana's top three strategic foundations were human capital, business environment, and financial capital.

## CHAPTER 7

### IOWA'S ECONOMIC DEVELOPMENT EXPENDITURES

Iowa, a state of approximately 2,834,000 in population,<sup>7</sup> was included in the study because of its similarities to Kansas. Like Kansas, Iowa used lottery funds as well as state general funds to support economic development programs. Because of the recovery of Iowa's economy, that will change in FY 1991. All economic development programs will be supported by the general fund and lottery dollars will be used for environmental and natural resource programs.

#### A. State Funding

##### 1. Total State Funding

Iowa ranked fourth in total state dollars spent in FY 1989 and third in dollars appropriated in FY 1990. State funds spent (FY 1989) or allocated (FY 1990) increased by 4.46% from \$46,812,821 to \$48,899,399 (Table 7.1). Over the two year period studied, Iowa consistently funded the business environment area at high levels. Funding levels fell roughly into three levels. For FY 1989, business environment and financial capital were funded at \$11.6 million; quality of life and technology/innovation were funded in the \$7 million to \$9 million range; and human capital and infrastructure development were funded in the \$2.8 to \$3.8 million range. This three-level funding pattern was maintained in FY 1990 with shifting of strategic foundations across funding levels: high levels--business environment; moderate levels--financial capital, quality of life, and technology/innovation; lower levels--human capital and infrastructure. The shifts were due to increased funding in three strategic foundations--business environment, human

<sup>7</sup>U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.

capital, and quality of life, and decreased funding in the remaining areas-- financial capital, infrastructure, and technology/innovation.

Table 7.1  
ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION  
IOWA

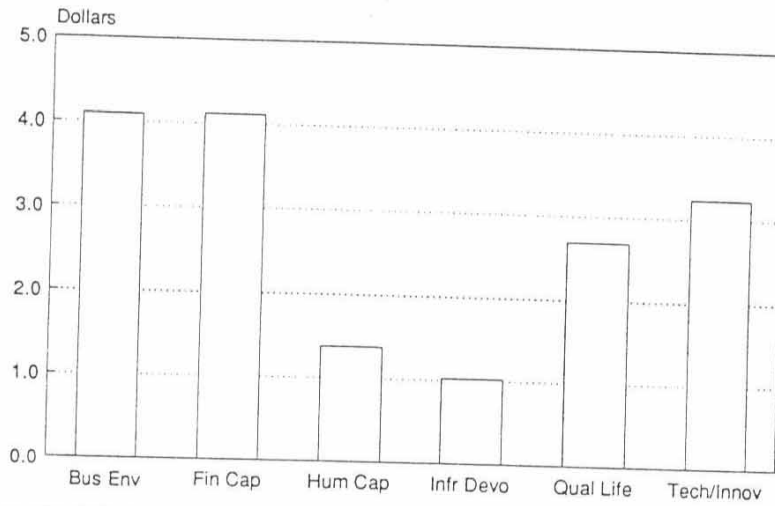
Strategic Foundation:	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Business Environment	27	\$11,601,871	\$15,880,743	\$4.09	\$5.60	36.88%
B) Financial Capital	6	11,636,132	9,439,792	4.11	3.33	-18.88%
C) Human Capital	8	3,884,897	5,534,625	1.37	1.95	42.47%
D) Infrastructure	1	2,895,000	1,395,000	1.02	0.49	-51.81%
E) Quality of Life	4	7,617,711	8,644,239	2.69	3.05	13.48%
F) Technology/Innovation	5	9,177,210	8,005,000	3.24	2.82	-12.77%
<b>TOTAL</b>	<b>51</b>	<b>\$46,812,821</b>	<b>\$48,899,399</b>	<b>\$16.52</b>	<b>\$17.25</b>	<b>4.46%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

## 2. State Funding Per Capita

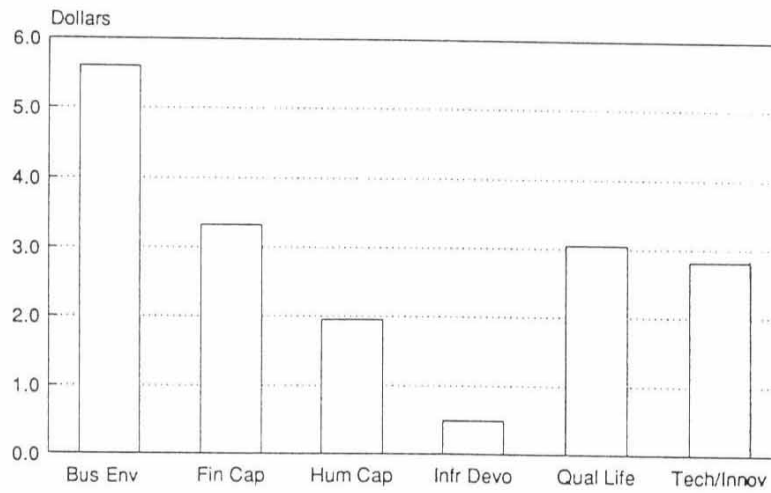
Per capita spending averaged \$16.52 in FY 1989 and \$17.25 in FY 1990. The state ranked third in state funds spent per capita in FY 1989 and 1990. Figure 28 shows that business environment and financial capital strategic foundations averaged slightly over \$4.00 per capita in state funds. Quality of life and technology/innovation were closer to the \$3.00 range, and human capital and infrastructure development were near the \$1.00 range. Figure 29 shows a different funding pattern. The business environment strategic foundation dominated the funding picture, with most other foundations (except infrastructure development and possibly human capital) clustered in mid-range.

Figure 28  
State Support by Strategic Foundation  
1989 Funding for Iowa (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 29  
State Support by Strategic Foundation  
1990 Funding for Iowa (Per Capita)



Source: 1990 IPPBR Survey of States

### 3. Distribution of State Funds

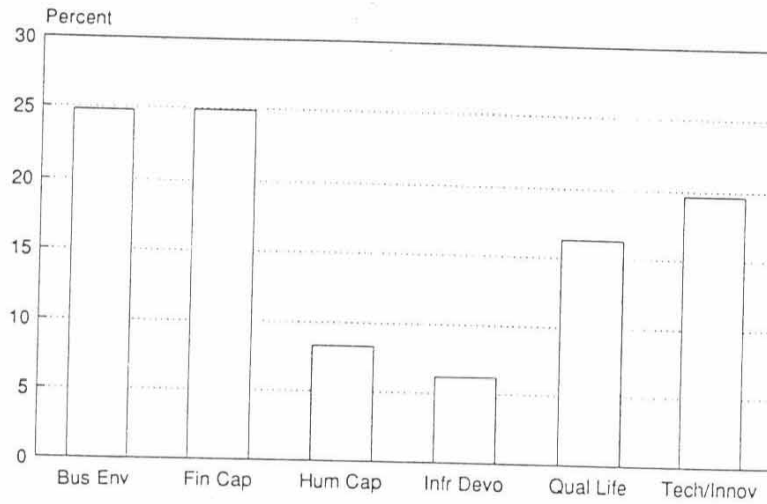
Figures 30 and 31 show the distribution of state funds for FY 1989 and FY 1990. Again, the three-level funding pattern was clear for FY 1989, but somewhat less clear for FY 1990. The foundation that was difficult to "fit" into the three-level pattern for FY 1990 was human capital because funding increased in that area, although not quite to levels equal to other moderately funded areas. The picture for FY 1990 showed a state in transition as its economic development funding shifted. One official reported that, in FY 1991, Iowa's economic development emphasis would be human capital development. Whether this adjustment will shift Iowa to a pattern emphasizing two areas, business environment and human capital, remains to be seen. This shift in emphasis may also change Iowa from a three-level pattern to a two-level pattern as funds continue to be diverted from financial capital, infrastructure, and technology/innovation to business environment and/or human capital areas.

### 4. State Funding and Trends by Strategic Foundation

Programs were grouped by categories within each of the six strategic foundations. This allowed for analysis of funding within each foundation.

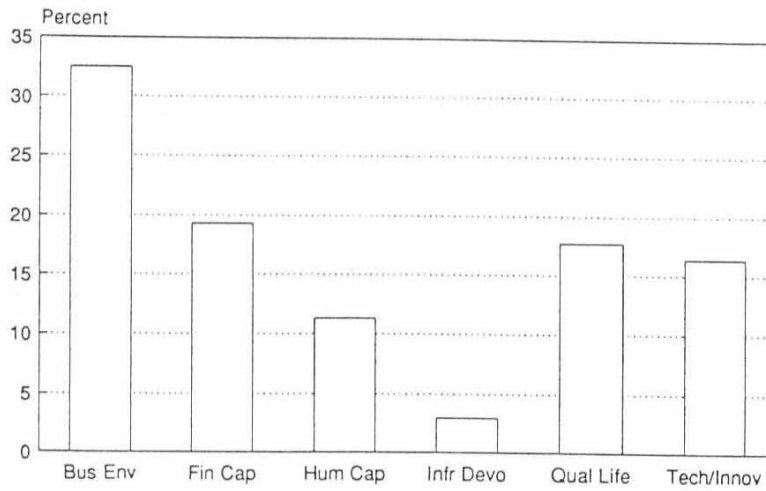
Business Environment. Program categories under business environment receiving the largest funding levels included tourism and image promotion, out-of-state industrial recruitment and international promotion- recruitment-representation (Table 7.2). FY 1989 funding distribution within this strategic foundation suggested that Iowa's emphasis for improving its business environment was to promote tourism and to aggressively recruit and support business through business relocation and international trade promotion programs. In FY 1990, increased funding of out-of-state industrial recruitment, business export, SBDC's, major industry support, economic development liaison, and business incubator programs suggested an even more aggressive business support strategy. When asked to predict funding

Figure 30  
 Percent Share by Strategic Foundation  
 1989 State Funding for Iowa



Source: 1990 IPPBR Survey of States

Figure 31  
 Percent Share by Strategic Foundation  
 1990 State Funding for Iowa



Source: 1990 IPPBR Survey of States



trends over the next five years, 48% of the programs were predicted to receive funding increases.

Table 7.2

BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES:  
STATE FUNDS FOR IOWA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	1	\$1,995,791	\$3,000,000	\$0.83	\$1.25	50.32%
B) Int'l promo, recruitment, representation	1	1,475,000	1,575,000	0.62	0.66	6.78%
C) Business export	1	164,500	228,000	0.07	0.10	38.60%
D) SBDCs	1	825,000	1,300,000	0.34	0.54	57.58%
E) Business retention and expansion	1	120,821	124,006	0.05	0.05	2.64%
F) Community/urban development	5	553,000	1,249,000	0.23	0.52	125.86%
G) Rural development	2	112,613	575,000	0.05	0.24	410.60%
H) Tourism and image promotion	3	3,726,479	3,504,535	1.56	1.46	-5.96%
I) Major indust. support	3	661,000	1,090,000	0.28	0.46	64.90%
J) Eco devo research	1	0	250,000	0.00	0.10	
K) Eco devo liaison	1	817,637	1,230,000	0.34	0.51	50.43%
L) Database devel.	1	100,000	100,000	0.04	0.04	0.00%
M) Bus. incubators	2	522,642	1,100,000	0.22	0.46	110.47%
N) Film promo	1	114,830	156,158	0.05	0.07	35.99%
O) Other	3	412,558	399,044	0.17	0.17	-3.28%
<b>TOTAL</b>	<b>27</b>	<b>\$11,601,871</b>	<b>\$15,880,743</b>	<b>\$4.09</b>	<b>\$5.60</b>	<b>36.88%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Financial Capital. Financial capital funding in FY 1989 focused upon risk financing/equity investments and small business financing (Table 7.3). In FY 1990, the emphasis centered upon loan financing through the Community Economic Betterment Account. This program provides financial assistance for new and expanding businesses. No programs in this strategic foundation were predicted to receive funding increases for the next five years.

Table 7.3

FINANCIAL CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR IOWA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Loan/bond financing	2	\$4,896,132	\$4,874,430	\$1.73	\$1.72	-0.44%
B) Risk financing/equity investments	1	1,250,000	1,350,000	0.44	0.48	8.00%
C) Small business financing	2	5,090,000	2,815,362	1.80	0.99	-44.69%
D) Export financing	1	400,000	400,000	0.14	0.14	0.00%
<b>TOTAL</b>	<b>6</b>	<b>\$11,636,132</b>	<b>\$9,439,792</b>	<b>\$4.11</b>	<b>\$3.33</b>	<b>-18.88%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Human Capital. Iowa increased its investment in human capital programs in FY 1990 by funding the Iowa Job Retraining Program at \$2 million (Table 7.4). Iowa also had an interesting mix of training programs targeted to serve specific populations (Other). This category included the Iowa Small business New Jobs Training Program, training for displaced homemakers and disadvantaged youth. Twenty-five percent of the human capital programs predicted funding increases over the next five years.

Infrastructure. Iowa made sizeable reductions in infrastructure funding aimed at economic development (Table 7.5). Iowa has a housing assistance fund that supports three programs: Rural Community 2000 (loans to cities, counties, nonprofit organizations), Home Maintenance and Repair (assistance for home repairs to elderly, handicapped or disabled), Excess Title Guarantee (repair single-family homes for occupancy to help solve the homeless problem). Despite the funding cuts experienced recently, increased funding was predicted over the next five years.

Table 7.4

HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR IOWA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	2	\$150,000	\$150,000	\$0.05	\$0.05	0.00%
B) Training assist. for new & expanding co.	0					
C) Training assist for existing co.	1		2,000,000	0.00	0.71	N/A
D) Bus/education training partnership	0					
E) Other	5	3,734,897	3,384,625	1.32	1.19	-9.38%
<b>TOTAL</b>	<b>8</b>	<b>\$3,884,897</b>	<b>\$5,534,625</b>	<b>\$1.37</b>	<b>\$1.95</b>	<b>42.47%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Table 7.5

INFRASTRUCTURE PROGRAM CATEGORIES:  
STATE FUNDS FOR IOWA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) General loans/grants to communities	1	\$2,895,000	\$1,395,000	1.02	0.49	-51.81%
B) Site develop/business park loans/grants	0					
<b>TOTAL</b>	<b>1</b>	<b>\$2,895,000</b>	<b>\$1,395,000</b>	<b>\$1.02</b>	<b>\$0.49</b>	<b>-51.81%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Quality of Life. Table 7.6 shows that quality of life programs received funding increases in FY 1990, and 50% of the programs were predicted to receive funding increases over the next five years. Public television received the largest share of funding.

Table 7.6

QUALITY OF LIFE PROGRAM CATEGORIES:  
STATE FUNDS FOR IOWA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Community arts program (facilities/resources)	2	\$1,173,972	\$1,596,788	\$0.41	\$0.56	36.02%
B) Public TV/radio grants/support	1	6,373,739	6,947,451	2.25	2.45	9.00%
C) Other	1	70,000	100,000	0.02	8.04	42.86%
<b>TOTAL</b>	<b>4</b>	<b>\$7,617,711</b>	<b>\$8,644,239</b>	<b>\$2.69</b>	<b>\$3.05</b>	<b>13.48%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Technology/Innovation. Iowa's technology/innovation funding focused upon research support (Table 7.7). In 1991, the management of state supported research will be assumed by the newly founded Wallace Technology Transfer Foundation. Replacing the Education and Agriculture Research and Development Account (EARDA), the foundation will support academically based applied research in concert with industry and other commercial research co-sponsors. Forty percent of the programs were predicted to experience increased funding over the next five years.

For a complete description of every program included in each strategic foundation and additional data tables, see Appendix G.

**B. Total Funding: State, Federal, and Other Sources**

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used to fund economic development programs was limited. Table 7.8 shows the state funded 81% of the total budget in FY 1989.

Table 7.7

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR IOWA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	0					
B) Applied tech centers, R&D centers of excell.	2	\$7,400,000	\$6,161,000	\$3.09	\$2.57	-16.74%
C) Small bus. research loans/grants/assist.	1	100,000	100,000	\$0.04	\$0.04	0.00%
D) Univ/bus partnership	0					
E) Inventor/royalty grants	0					
F) Patent information and assistance	0					
G) Technology offices	0					
H) Value-added programs and assistance	0					
I) Technical/technology assist; tech transfer	1	927,210	994,000	0.39	0.42	7.20%
J) Other	1	750,000	750,000	0.31	0.31	0.00%
<b>TOTAL</b>	<b>5</b>	<b>\$9,177,210</b>	<b>\$8,005,000</b>	<b>\$3.24</b>	<b>\$2.82</b>	<b>-12.77%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Table 7.8

ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS

IOWA

FY 1989

Foundation:	TOTAL	State	Federal	Other
Business Environment	\$12,699,173	91%	8%	1%
Financial Capital	\$16,661,132	70%		30%
Human Capital	\$3,884,897	100%		
Infrastructure	\$3,715,000	78%		22%
Quality of Life	\$11,123,172	68%	14%	18%
Technology/Innov.	\$9,981,210	92%	1%	8%
<b>TOTAL</b>	<b>\$58,064,584</b>	<b>81%</b>	<b>4%</b>	<b>15%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States

C. Administration and Staffing

Eleven different agencies or organizations administered the 51 programs included in the analysis. Agencies included were: Department of Economic Development, Department of Agriculture and Land Stewardship, Iowa State University, Iowa Arts Council, Department of Human Resources, U.S. Small Business Administration, Iowa Business Development Finance Corporation, Iowa Finance Authority, Department of Cultural Affairs, Wallace Technology Transfer Foundation, and the Department of Education.

While the reliability of staffing data was not established, the data do provide some indication of number of staff used by the programs. Staffing data for Iowa programs (Table 7.9) are particularly difficult to assess because of missing data. The numbers submitted for quality of life programs includes 103 staff for public television.

Table 7.9

STAFFING FOR IOWA ECONOMIC DEVELOPMENT PROGRAMS

	FY 1989	FY 1990
Business Environment	DK	106
Financial Capital	9	10
Human Capital	DK	32.2
Infrastructure Development	1.33	2.33
Quality of Life	113	115
Technology/Innovation	DK	16.25
<b>Total</b>	<b>123.33</b>	<b>281.78</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

D. Conclusion

To summarize, Iowa's rank in total state dollars spent was fourth in FY 1989 and third in FY 1990. Iowa ranked third in state funds spent per capita in

FY 1989 and 1990. Thirty-nine percent of the 51 programs were predicted to receive funding increases over the next five years. Based upon analysis of funding levels, Iowa had a three-level funding pattern in FY 1989: high levels--business environment and financial capital; moderate levels--quality of life and technology/ innovation; lower levels--human capital and infrastructure. FY 1990 funding shifted as human capital investments increased. The emerging funding pattern continued to strongly support business environment programs, but what the transition to increased human capital support means for areas such as technology/innovation and quality of life was not clear. In 1990, Iowa's top three strategic foundations were business environment, financial capital, and quality of life.

## CHAPTER 8

### MINNESOTA'S ECONOMIC DEVELOPMENT EXPENDITURES

Minnesota, a state of approximately 4,307,000 in population,<sup>8</sup> was included in the study because of its strong economic development commitment. Minnesota's lottery was scheduled to start in April, 1990. The greater Minnesota Corporation (discussed under Technology/Innovation below) and a newly established Environmental Trust Fund were to receive lottery funds, although use of lottery funds was being debated at the time of this survey (Spring, 1990).

#### A. State Funding

##### 1. Total State Funding

Minnesota ranked first in total state dollars spent or allocated in FY 1989 and FY 1990. State funds spent (FY 1989) or allocated (FY 1990) increased 42.32% from \$75,280,170 to \$107,137,643 (Table 8.1). Over the two year period studied, Minnesota funded business environment programs at a much higher rate than other areas. Human capital and technology/innovation areas were funded at Minnesota's mid-level, and quality of life and financial capital (for FY 1990) programs received much lower levels of funding from the state. No financial capital programs that fit within the definition of this study were funded in FY 1989, and no infrastructure programs were funded in FY 1989 and 1990. Although the three-level funding pattern was maintained during both fiscal years, technology/innovation support increased more dramatically in FY 1990 than did business environment or quality of life areas.

<sup>8</sup>U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.



Table 8.1

## ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION

Strategic Foundation:	No. of Programs	MINNESOTA		PER CAPITA		Percent Change
		STATE FUNDS		1989	1990	
		1989	1990	1989	1990	
A) Business Environment	11	\$39,491,682	\$56,381,353	\$9.17	\$13.09	42.77%
B) Financial Capital	1	0	500,000	0.00	0.12	N/A
C) Human Capital	7	17,765,448	18,275,647	4.12	4.24	2.87
D) Infrastructure	0			0.00	0.00	
E) Quality of Life	3	5,144,003	7,341,085	1.19	1.70	42.71
F) Technology/Innovation	12	12,879,037	24,639,558	2.99	5.72	91.32
<b>TOTAL</b>	<b>34</b>	<b>\$75,280,170</b>	<b>\$107,137,643</b>	<b>\$17.48</b>	<b>\$24.88</b>	<b>42.32%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

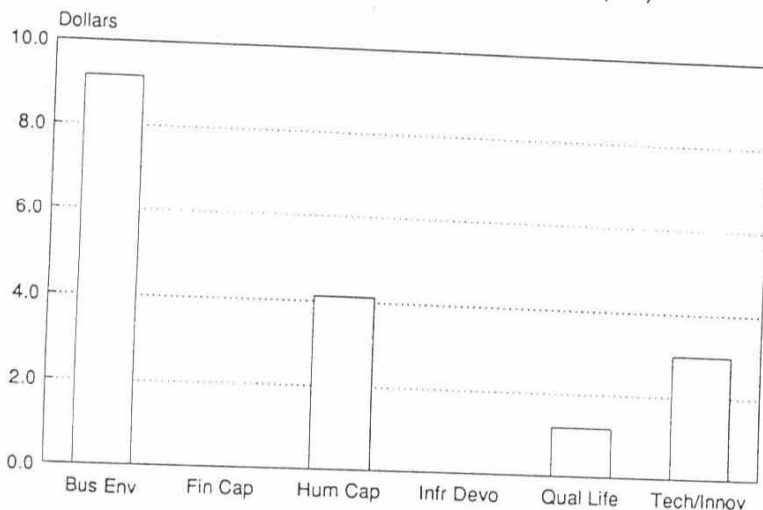
## 2. State Funding Per Capita

Per capita spending averaged \$17.48 in FY 1989 and \$24.88 in FY 1990. Minnesota ranked second in state funds spent per capita in FY 1989 and first in FY 1990. Figure 32 shows business environment led at \$9.17 per capita, with human capital and technology/innovation in the \$3.00 to \$4.00 range in FY 1989. In FY 1990 (Figure 33), business environment increased to \$13.09 per capita, and technology/innovation increased substantially to \$5.72. This change suggested Minnesota adjusted economic development policy to strengthen technology/innovation efforts.

## 3. Distribution of State Funds

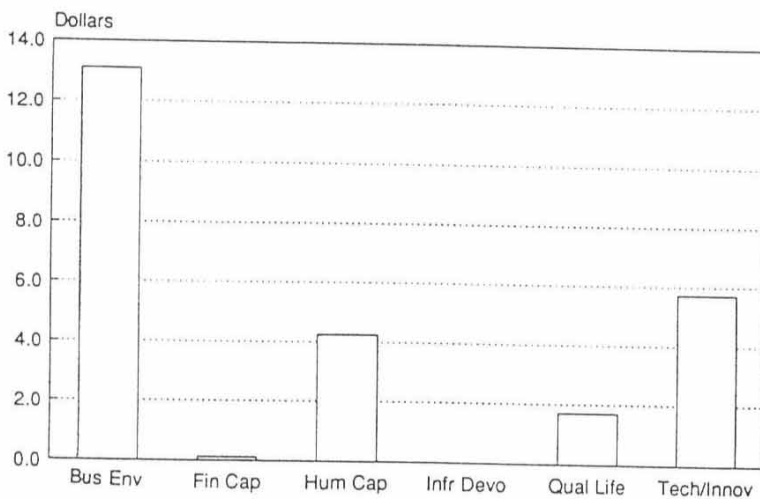
Figures 34 and 35 show the distribution of state funds for FY 1989 and FY 1990. The three-level funding pattern can be seen, although the differences in funding share between the strategic foundations receiving moderate and low (or no) funding did not differ by the same magnitude as the highly and moderately funded areas.

Figure 32  
 State Support by Strategic Foundation  
 1989 Funding for Minnesota (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 33  
 State Support by Strategic Foundation  
 1990 Funding for Minnesota (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 34  
 Percent Share by Strategic Foundation  
 1989 State Funding for Minnesota

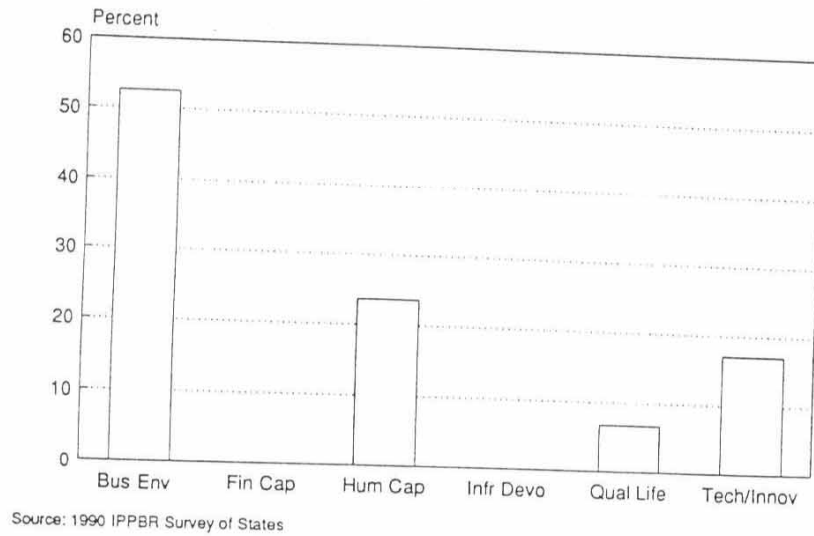
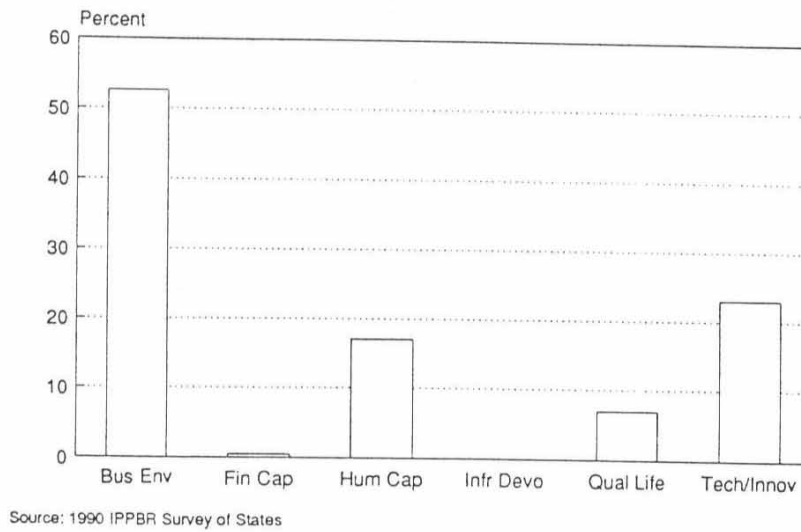


Figure 35  
 Percent Share by Strategic Foundation  
 1990 State Funding for Minnesota



#### 4. State Funding and Trends by Strategic Foundation

Programs were grouped by categories within each of the six strategic foundations. This allowed for analysis of funding within each foundation.

Business Environment. The program category receiving the largest share of business environment funds was community/urban development (Table 8.2). Tourism and image promotion received a moderate share of the funds, with business retention and expansion programs making large gains in FY 1990 to bring that category into the same range. Expansion of the business promotion program (under business retention and expansion) adjusted the state's policy to provide increased support for individuals starting businesses, for expansion of existing business, for out-of-state businesses expansion into the state, and for local economic development efforts. Although Table 8.2 suggests that Minnesota did not fund international promotion, recruitment, and representation or international promotion, etc., those activities could not be separated and were included in the activities of divisions and organizations categorized under business export (Minnesota Trade Office and World Trade Center). While funding trends were not predicted for many business environment programs, 9% were predicted to receive funding increases over the next five years.

Financial Capital. Financial capital programs designed to facilitate economic development were not funded in FY 1989 (Table 8.3). In FY 1990, the Greater Minnesota Corporation funded a seed capital program designed to increase the availability and accessibility of early-stage seed and venture capital to new, high-growth potential businesses. This fit with the shift to emphasize business expansion discussed above (Business Environment). The program is expected to receive funding increases over the next five years.

Table 8.2

**BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES:  
STATE FUNDS FOR MINNESOTA**

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	0					
B) Int'l promo, recruitment, representation	0					
C) Business export	2	3,556,581	3,556,853	0.83	0.83	0.01%
D) SBDCs	1	125,000	125,000	0.03	0.03	0.00%
E) Business retention and expansion	1	2,862,605	6,103,334	0.66	1.42	113.21%
F) Community/urban devo.	1	23,386,663	35,497,055	5.43	8.24	51.78%
G) Rural development	0					
H) Tourism and image promo	1	7,352,548	8,923,111	1.71	2.07	21.36%
I) Major indust. support	1	760,000	955,000	0.18	0.22	25.66%
J) Eco devo research	1	1,037,937	921,000	0.24	0.21	-11.27%
K) Eco devo liaison	1	230,348	0	0.05	0.00	-100.00%
L) Database devel.	0					
M) Bus. incubators	0					
N) Film promo	0					
O) Other						
Minority assist.	1	180,000	200,000	0.04	0.05	11.11%
Business creation	1	0	100,000	0.00	0.02	N/A
<b>TOTAL</b>	<b>11</b>	<b>\$39,491,682</b>	<b>\$56,381,353</b>	<b>9.17</b>	<b>13.09</b>	<b>42.77%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

Table 8.3

**FINANCIAL CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR MINNESOTA**

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Loan/bond financing	0					
B) Risk financing/ equity investments	1	\$0	\$500,000	\$0.00	\$0.12	N/A
C) Small bus. financing	0					
D) Export financing	0					
<b>TOTAL</b>	<b>1</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$0.00</b>	<b>\$0.12</b>	<b>N/A</b>

N/A--percent change cannot be calculated when FY 1989 funding was \$0.

Source: 1990 Institute for Public Policy and Business Research Survey of States.

Human Capital. Minnesota's support of human capital programs remained relatively stable from FY 1989 to FY 1990 (2.87% increase in funding). Table 8.4 shows Minnesota's human capital funding centered upon training assistance for business and for special population (displaced homemakers, youth, low-groups, and those receiving public assistance). Forty-three percent of the programs were predicted to receive funding increases over the next five years.

Table 8.4

HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR MINNESOTA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	0					
B) Training assist. for new & expanding co.	0					
C) Training assist for existing co.	1	1,300,000	1,300,000	0.30	0.30	0.00%
D) Bus/education training partnership	0					
E) Other: Worker employment/assist.	6	16,465,448	16,975,647	3.82	3.94	3.10%
<b>TOTAL</b>	<b>7</b>	<b>\$17,765,448</b>	<b>\$18,275,647</b>	<b>\$4.12</b>	<b>\$4.24</b>	<b>2.87%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Infrastructure. Minnesota did not fund programs focused upon economic development that fit the definition used for this survey.

Quality of Life. Table 8.5 shows that community arts programs received the largest share of quality of life funds in FY 1989. Increases in public television and large increases in public radio support made for more equal distribution of funds in FY 1990. While no change in state funding of community arts programs was predicted over the next five years, both public television and public radio were predicted to experience decreases in state funding.

Table 8.5

QUALITY OF LIFE PROGRAM CATEGORIES:  
STATE FUNDS FOR MINNESOTA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Community arts program (facilities/resources)	1	\$3,184,346	\$4,198,085	\$0.74	\$0.97	31.84%
B) Public TV/radio grants/support	2	1,959,657	3,143,000	0.45	0.73	60.39%
<b>TOTAL</b>	<b>3</b>	<b>\$5,144,003</b>	<b>7,341,085</b>	<b>1.19</b>	<b>1.70</b>	<b>42.71%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Technology/Innovation. Minnesota's technology/innovation policy emphasized research support, technical assistance/transfer, and support for the organization that integrates technology/innovation efforts (Greater Minnesota Corporation--categorized as Other). Table 8.6 shows that growth was centered around research programs, both in the form of research/product assistance or loans and in the form of research centers. While technical assistance grew at a slower rate (36.11%), only the Business Innovation Centers Program (administered by the Greater Minnesota Corporation) received increased funding within the technical assistance category. These centers assist entre-preneurs and small- to medium-sized businesses by serving as links in the technology transfer process. While the administrative support of the Greater Minnesota Corporation (categorized as Other--Table 8.6) remained stable from FY 1989 to 1990, all but one program administered by it received funding increases. This suggests a trend toward consolidation of state supported science and technology economic development efforts under this corporation. Continued state support of technology/innovation programs was optimistic with 33% of the programs predicting funding increases over a five year period.

Table 8.6

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR MINNESOTA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	1	\$1,700,000	\$3,000,000	\$0.39	\$0.70	76.47%
B) Applied tech centers, R&D centers of excell.	3	4,999,037	14,234,558	1.16	3.30	184.75%
C) Small bus. research loans/grants/assist.	1	120,000	120,000	0.03	0.03	0.00%
D) Univ/bus partnership	0					
E) Inventor/royalty grants	0					
F) Patent information and assistance	1	75,000	75,000	0.02	0.02	0.00%
G) Technology offices	1	400,000	150,000	0.09	0.03	-62.50%
H) Value-added programs and assistance	0					
I) Technical/technology assist; tech transfer	4	4,085,000	5,560,000	0.95	1.29	36.11%
J) Other	1	1,500,000	1,500,000	0.35	0.35	0.00%
<b>TOTAL</b>	<b>12</b>	<b>\$12,879,037</b>	<b>\$24,639,558</b>	<b>\$2.99</b>	<b>\$5.72</b>	<b>91.32%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

For a complete description of every program included in each strategic foundation and additional data tables, see Appendix H.

**B. Total Funding: State, Federal, and Other Sources**

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used to fund economic development programs was limited. Table 8.7 shows that the state funded nearly 62% of the total budget in FY 1989.

**C. Administration and Staffing**

Eight different agencies or organizations administered the 34 programs or divisions included in the analysis. Agencies included were: Greater Minnesota



Table 8.7

## ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS

## MINNESOTA

FY 1989

Foundation:	TOTAL	State	Federal	Other
Business Environment	\$ 77,988,595	50.6%	46.0%	3.0%
Financial Capital	0			
Human Capital	19,059,664	93.2	6.8	1.0
Infrastructure	0			
Quality of Life	6,432,861	80.0	8.0	12.0
Technology/Innovation	18,562,030	69.4	9.4	21.3
<b>TOTAL</b>	<b>\$122,043,150</b>	<b>61.7%</b>	<b>32.2%</b>	<b>6.1%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

Corporation, Department of Trade and Economic Development, Minnesota Department of Agriculture, Higher Education Coordination Board, Office of Science and Technology, Job Skills Partnership, Department of Jobs and Training, and the University of Minnesota.

While the reliability of staffing data was not established, the data do provide some indication of number of staff used by the program. Staffing for Minnesota programs increased slightly from FY 1989 to FY 1990 (Table 8.8).

Table 8.8

## STAFFING FOR MINNESOTA ECONOMIC DEVELOPMENT PROGRAMS

	FY 1989	FY 1990
Business Environment	240.2	257.7
Financial Capital	0	2
Human Capital	35.5	35.5
Infrastructure Development	0	0
Quality of Life	15	15
Technology/Innovation	148.33	217
<b>Total</b>	<b>439.03</b>	<b>527.2</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

D. Conclusion

To summarize, Minnesota ranked first in total state dollars spent in FY 1989 and 1990. It ranked second in FY 1989 and first in FY 1990 in state funds spent per capita. Twenty-six percent of the 34 programs were predicted to experience funding increases over the next five years. Based upon analysis of funding levels, Minnesota had a three-level funding pattern in FY 1989 and 1990, although the difference between highly funded (business environment) and moderately funded strategic foundations (human capital, technology/innovation) was greater than the difference between the moderately funded and minimally funded (quality of life, financial capital) areas. Minnesota did not fund economic development programs in the infrastructure development area. Support for technology/innovation programs increased dramatically from FY 1989 to 1990, indicating that this strategic foundation increased in importance in the state's funding. In 1990, Minnesota's top three strategic foundations were business environment, technology/innovation, and human capital.

## CHAPTER 9

### MISSOURI'S ECONOMIC DEVELOPMENT EXPENDITURES

Missouri, a state of approximately 5,141,000 in population,<sup>9</sup> was included in the study because of its geographic proximity to Kansas.

#### A. State Funding

##### 1. Total State Funding

Missouri ranked sixth in total state dollars spent in FY 1989 and 1990. State funds spent (FY 1989) or allocated (FY 1990) held steady with only a 1.48% increase from \$32,177,863 to \$32,655,255 (Table 9.1). Missouri funded business environment programs at a relatively high level and funded the remaining four strategic foundations receiving state funds at considerably lower levels. (Programs in Financial Capital were not included in our analysis because one was funded through bonds and the other was funded by a one-time allocation made prior to 1989.) Technology/innovation showed the biggest gain (14.97%) from FY 1989 to 1990, and human capital programs posted the biggest loss (-14.67%).

##### 2. State Funding Per Capita

Per capita spending averaged \$6.26 in FY 1989 and \$6.35 in FY 1990. Missouri ranked eighth in state funds spent per capita in FY 1989 and tenth in FY 1990. In FY 1989 and 1990, per capita funding for business environment programs averaged over \$2.50. Other strategic foundations averaged from \$0.44 to \$1.28 in FY 1989 (Figure 36) and \$0.50 to \$1.09 in FY 1990 (Figure 37).

##### 3. Distribution of State Funds

Figures 38 and 39 show the distribution of state funds for FY 1989 and FY 1990. In both years, business environment programs received over 40% of the total

<sup>9</sup>U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.

Table 9.1  
ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION

Strategic Foundation:	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
		A) Business Environment	6	\$13,445,698	\$14,457,506	
B) Financial Capital	0			0.00	0.00	
C) Human Capital	1	6,574,592	5,610,230	1.28	1.09	-14.67
D) Infrastructure	1	5,000,000	5,000,000	0.97	0.97	0.00
E) Quality of Life	1	4,913,477	5,007,519	0.96	0.97	1.91
F) Technology/Innovation	4	2,244,096	2,580,000	0.44	0.50	14.97
<b>TOTAL</b>	<b>13</b>	<b>\$32,177,863</b>	<b>\$32,655,255</b>	<b>\$6.26</b>	<b>\$6.35</b>	<b>1.48%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

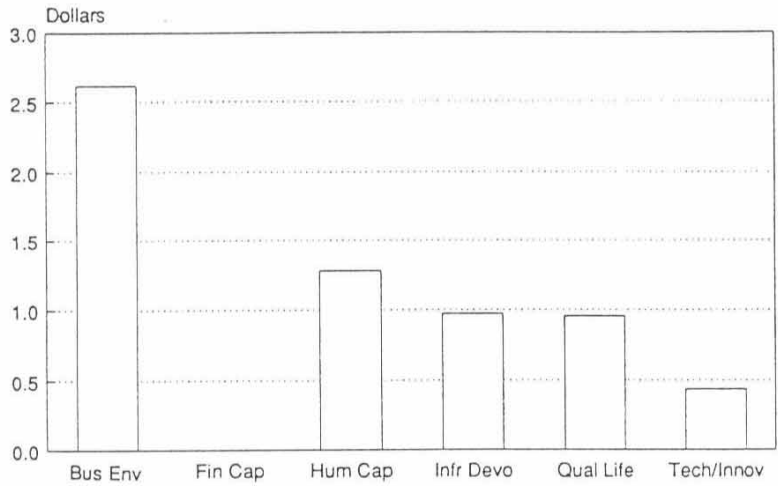
share. All other strategic foundations received 20% or less. The two-level funding pattern was very clear. Support for business environment programs was strong, but funding for other areas was substantially lower.

#### 4. State Funding and Trends by Strategic Foundation

Programs were grouped by categories within each of the six strategic foundations. This allowed for analysis of funding within each foundation.

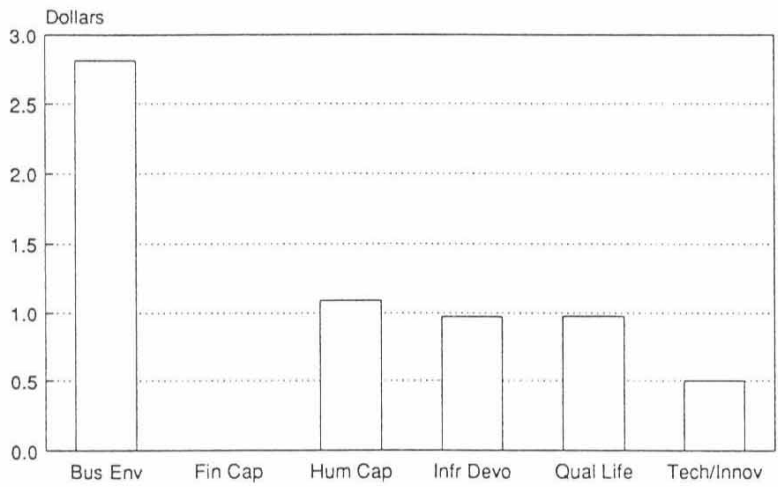
Business Environment. Program categories under business environment receiving largest funding levels included tourism/image promotion, and business retention/expansion (funded at \$5.7 million and \$3.6 million in FY 1989) (Table 9.2). International promotion/recruitment/representation and business incubator categories were funded at \$1.5 million. Funding levels suggested that, in addition to emphasizing tourism, Missouri's emphasized out-of-state and international business recruitment programs and programs that focused upon retention and expansion of existing businesses. None of the programs were predicted to experience funding increases over the next five years.

Figure 36  
State Support by Strategic Foundation  
1989 Funding for Missouri (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 37  
State Support by Strategic Foundation  
1990 Funding for Missouri (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 38  
Percent Share by Strategic Foundation  
1989 State Funding for Missouri

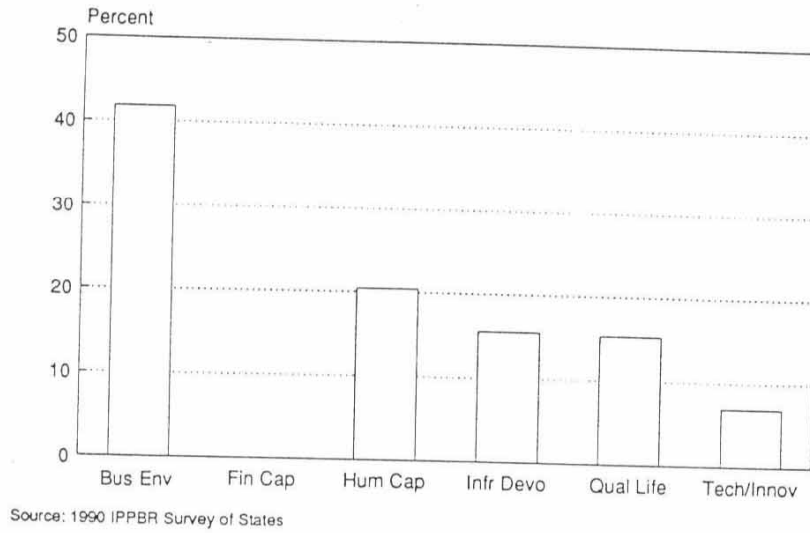


Figure 39  
Percent Share by Strategic Foundation  
1990 State Funding for Missouri

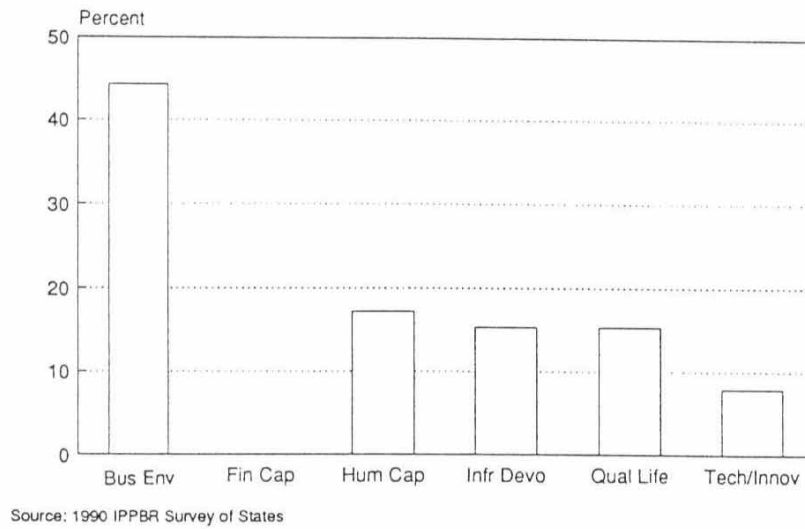


Table 9.2

BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES:  
STATE FUNDS FOR MISSOURI

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	1	\$584,948	\$487,783	\$0.11	\$0.09	-16.61%
B) Int'l promo, recruitment, representation	1	1,536,491	1,768,601	0.30	0.34	15.11%
C) Business export	0					
D) SBDCs	0					
E) Business retention and expansion	1	3,615,458	3,975,684	0.70	0.77	9.96%
F) Community/urban development	1	437,803	710,286	0.09	0.14	62.24%
G) Rural development	0					
H) Tourism and image promotion	1	5,745,998	6,115,152	1.12	1.19	6.42%
I) Major indust. support	0					
J) Eco devo research	0					
K) Eco devo liaison	0					
L) Database devel.	0					
M) Bus. incubators	1	1,525,000	1,400,000	0.30	0.27	-8.20%
N) Film promo	0					
<b>TOTAL</b>	<b>6</b>	<b>\$13,445,698</b>	<b>\$14,457,506</b>	<b>\$2.62</b>	<b>\$2.81</b>	<b>7.53%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Financial Capital. Missouri's financial capital programs were not included in our analysis, because one was funded by bonds and the other was funded by a one-time allocation made prior to 1989 (see Appendix I for program descriptions).

Human Capital. Missouri's human capital investment focused upon training/retraining programs for economically disadvantaged unemployed people affected by plant closings and farm foreclosures (Table 9.3). Workers are prepared for employment with new or expanding firms through customized training activities. Funding fell 14.67% from 1989 to 1990, and no funding increases were predicted over the next five years.

Table 9.3

HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR MISSOURI

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	0					
B) Training assist. for new & expanding co.	1	6,574,592	5,610,230	\$1.28	\$1.09	-14.67%
C) Training assist for existing co.	0					
D) Bus/education training partnership	0					
<b>TOTAL</b>	<b>1</b>	<b>\$6,574,592</b>	<b>\$5,610,230</b>	<b>\$1.28</b>	<b>\$1.09</b>	<b>-14.67%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Infrastructure. Missouri's infrastructure development dollars went to the Community Development Block Grant Section within the Department of Economic Development (Table 9.4). Programs focus upon providing infrastructure needed by new and expanding businesses. No funding increases were predicted over the next five years.

Table 9.4

INFRASTRUCTURE PROGRAM CATEGORIES:  
STATE FUNDS FOR MISSOURI

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) General loans/grants to communities	1	\$5,000,000	\$5,000,000	\$0.97	\$0.97	0.00%
B) Site develop/business park loans/grants	0					
<b>TOTAL</b>	<b>1</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$0.97</b>	<b>\$0.97</b>	<b>0.00%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.



Quality of Life. Funding for the quality of life strategic foundation remained fairly stable for FY 1989 and 1990 (Table 9.5). Funding provided small cities and towns with greater access to high quality artistic events, participation in the arts, and art education. No funding increases were predicted over the next five years.

Table 9.5

QUALITY OF LIFE PROGRAM CATEGORIES:  
STATE FUNDS FOR MISSOURI

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Community arts program (facilities/resources)	1	\$4,913,477	\$5,007,519	\$0.96	\$0.97	1.91%
B) Public TV/radio grants/support	0					
C) Other: historical preservation	0					
<b>TOTAL</b>	<b>1</b>	<b>\$4,913,477</b>	<b>\$5,007,519</b>	<b>\$0.96</b>	<b>\$0.97</b>	<b>1.91%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Technology/Innovation. The technology/innovation area received the lowest level of support of the five strategic foundations receiving state funds. Table 9.6 summarizes funding levels for technology/innovation program categories. Missouri's funding in this strategic area focused upon research centers at Missouri's universities. The importance of the research centers was reflected both in funding level (\$1.75 million in FY 1990) and funding increases (40%). Funding increases over the next five years were predicted for 25% of the programs.

For a complete description of every program included in each strategic foundation and additional data tables, see Appendix I.

Table 9.6

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR MISSOURI

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	0					
B) Applied tech centers, R&D centers of excell.	1	\$1,250,000	\$1,750,000	\$0.24	\$0.34	40.00%
C) Small bus. research loans/grants/assist.	2	725,000	830,000	0.14	0.16	14.48%
D) Univ/bus partnership	1	269,096	0	0.05	0.00	-100.00%
E) Inventor/royalty grants	0					
F) Patent information and assistance	0					
G) Technology offices	0					
H) Value-added programs and assistance	0					
I) Technical/technology assist; tech transfer	0					
J) Other						
<b>TOTAL</b>	<b>4</b>	<b>\$2,244,096</b>	<b>\$2,580,000</b>	<b>\$0.44</b>	<b>\$0.50</b>	<b>14.97%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

**B. Total Funding: State, Federal, and Other Sources**

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used to fund economic development programs was limited. Table 9.7 shows the state funded 37% of the total budget in FY 1989, and the largest portion of funding came from federal sources (57.6%). Arkansas was the only other state whose federal funding exceeded state resources.

**C. Administration and Staffing**

Four different agencies administered the 13 programs and divisions included in the analysis. Agencies included were: Department of Economic Development,

Table 9.7

## ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS

## MISSOURI

FY 1989

Foundation:	TOTAL	State	Federal	Other
Business Environment	\$36,199,453	37.1%	62.9%	
Financial Capital	0			
Human Capital	6,574,592	100.0		
Infrastructure	28,000,000	17.9	82.1	
Quality of Life	5,433,348	90.4	9.6	
Technology/Innovation	9,808,778	22.9	33.0	44.1%
<b>TOTAL</b>	<b>\$86,016,171</b>	<b>37.0%</b>	<b>57.6%</b>	<b>5.0%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

Missouri Arts Council, Missouri Corporation for Science and Technology, and University of Missouri.

While the reliability of staffing data was not established, the data do provide some indication of number of staff used by the program. Staffing for Missouri programs increased slightly from FY 1989 to 1990 (Table 9.8).

Table 9.8

## STAFFING FOR MISSOURI ECONOMIC DEVELOPMENT PROGRAMS

	FY 1989	FY 1990
Business Environment	130.5	137
Financial Capital	1	1
Human Capital	52	53
Infrastructure Development	12	12
Quality of Life	15	15
Technology/Innovation	5	5
<b>Total</b>	<b>215.5</b>	<b>223</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

D. Conclusion

To summarize, Missouri ranked sixth in total state dollars spent in FY 1989 and 1990. State funds increased only 1.48% over the two year period. Missouri ranked eighth in FY 1989 and tenth in FY 1990 in state funds spent per capita. Only 8% of the 13 programs were predicted to experience funding increases over the next five years. This was the lowest percentage reported by any state. Based upon analysis of funding levels, Missouri had a two-level funding pattern: business capital was the highly funded area; human capital, infrastructure, quality of life, and technology/innovation were funded at lower levels. In 1990, Missouri's top three strategic foundations were business environment, human capital, and quality of life.

## CHAPTER 10

### NEBRASKA'S ECONOMIC DEVELOPMENT EXPENDITURES

Nebraska, a state of approximately 1,602,000 in population,<sup>10</sup> has the smallest population of any state included in the study. Nebraska was included in the study because of its geographic proximity to Kansas.

#### A. State Funding

##### 1. Total State Funding

Nebraska ranked ninth in total state dollars spent in FY 1989 and tenth in dollars appropriated in FY 1990. State funds spent or allocated increased by 38.71% from \$14,061,319 to \$19,504,114 (Table 10.1). Over the two year period studied, Nebraska consistently funded the technology/innovation strategic foundation at levels well above the other three strategic foundations funded. While technology/innovation received a healthy funding increase in FY 1990, human capital development funding increased over 400%. Whether human capital funding will continue to increase at this rate was not determined, but those completing the survey predicted funding would decrease over the next five years. Based upon FY 1990 funding, Nebraska funded four strategic foundations at two levels: high funding levels--technology/innovation; lower funding levels--business environment, financial capital, human capital.

##### 2. State Funding Per Capita

Per capita spending averaged \$8.78 in FY 1989 and \$12.17 in FY 1990. The state ranked sixth in state funds spent per capita in FY 1989 and fifth in FY 1990. Figure 40 illustrates the two-level funding pattern with an average of over \$5.00 per capita for technology/innovation in FY 1989 and an average of about

<sup>10</sup>U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.

\$2.00 or less for the other three strategic foundations funded. Figure 41 shows that the per capita average for technology/innovation increased to nearly \$8.00 in FY 1990, while the other three areas remained relatively low.

Table 10.1  
ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION  
NEBRASKA

Strategic Foundation:	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Business Environment	10	\$3,301,319	\$3,553,115	\$2.06	\$2.22	7.63%
B) Financial Capital	2	2,110,000	2,118,000	1.32	1.32	0.38%
C) Human Capital	1	250,000	1,323,000	0.16	0.83	429.20%
D) Infrastructure	0			0.00	0.00	
E) Quality of Life	0			0.00	0.00	
F) Technology/Innovation	4	8,400,000	12,510,000	5.24	7.81	48.93%
<b>TOTAL</b>	<b>17</b>	<b>\$14,061,319</b>	<b>\$19,504,115</b>	<b>\$8.78</b>	<b>\$12.17</b>	<b>38.71%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

### 3. Distribution of State Funds

Figures 42 and 43 show the distribution of state funds for FY 1989 and FY 1990. Again, the two-level funding pattern was clear. For both years, technology/innovation received about 60% of the state's economic development funds. Figure 43 shows the slight increase in total share made by human capital funds. The shift was not large enough to conclude that human capital was emerging as an area of emphasis for the state.

### 4. State Funding and Trends by Strategic Foundation

Programs were grouped by categories within each of the six strategic foundations. This allowed for analysis of funding within each foundation.

Figure 40  
State Support by Strategic Foundation  
1989 Funding for Nebraska (Per Capita)

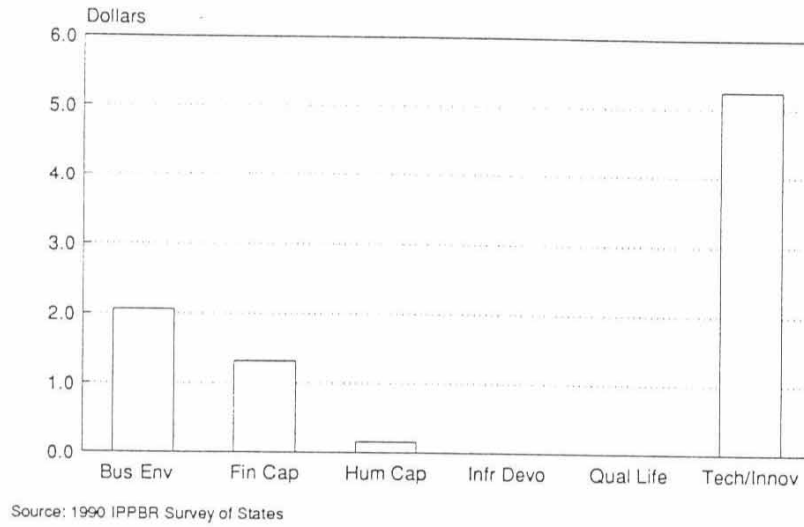


Figure 41  
State Support by Strategic Foundation  
1990 Funding for Nebraska (Per Capita)

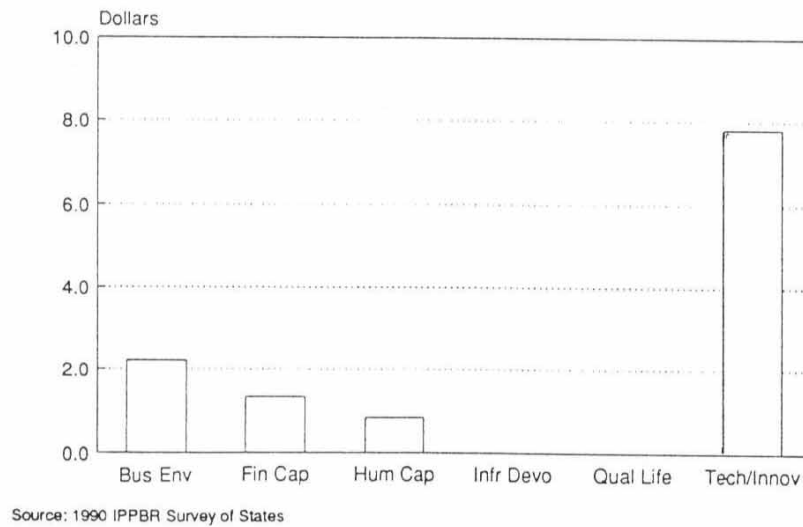


Figure 42  
Percent Share by Strategic Foundation  
1989 State Funding for Nebraska

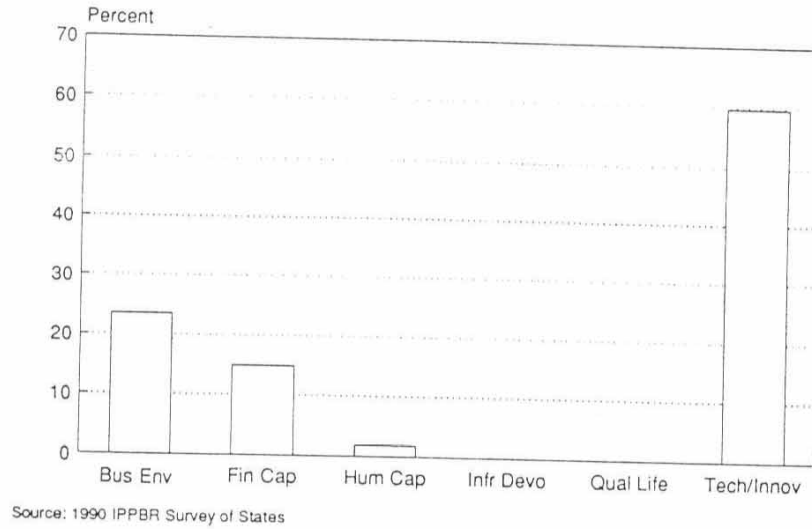
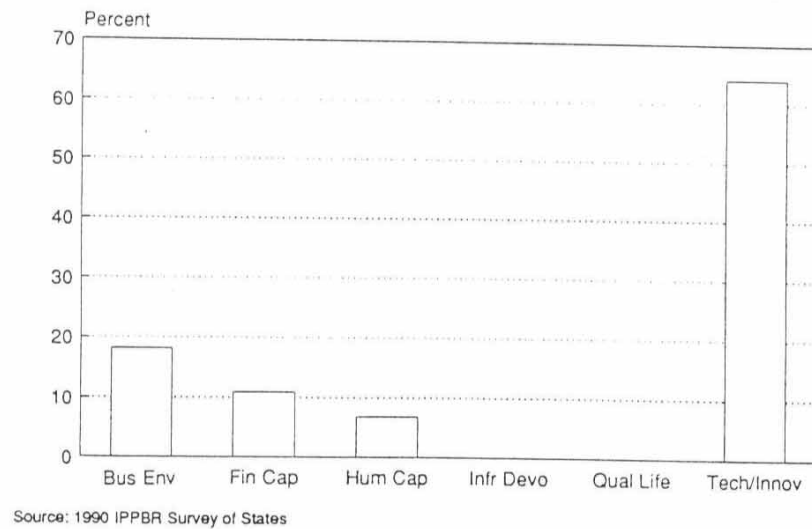


Figure 43  
Percent Share by Strategic Foundation  
1990 State Funding for Nebraska





Business Environment. The program categories under business environment receiving the largest funding share were tourism and image promotion (\$1.3 million in FY 1990) and out of state industrial recruitment (\$822,000) (Table 10.2). Funding for all other program categories ranged from \$55,000 to \$397,000 in FY 1990. This pattern of distribution shows that Nebraska spread a relatively small budget across a relatively large number of programs. Forty percent of the programs were predicted to experience funding increases over the next five years.

Table 10.2

BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES:  
STATE FUNDS FOR NEBRASKA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	1	\$762,000	\$822,000	\$0.48	\$0.51	7.87%
B) Int'l promo, recruitment, representation	0					
C) Business export	1	90,000	100,000	0.06	0.06	11.11%
D) SBDCs	1	343,319	368,315	0.21	0.23	7.28%
E) Business retention and expansion	0					
F) Community/urban development	0					
G) Rural development	2	296,000	357,000	0.18	0.22	20.61%
H) Tourism and image promotion	1	1,260,000	1,300,000	0.79	0.81	3.17%
I) Major indust. support	0					
J) Eco devo research	1	375,000	397,000	0.23	0.25	5.87%
K) Eco devo liaison	1	50,000	60,000	0.03	0.04	20.00%
L) Database devel.	0					
M) Bus. incubators	0					
N) Film promo	1	75,000	93,000	0.05	0.06	24.00%
O) Other: Marketing & technical assist.	1	50,000	55,000	0.03	0.03	10.00%
<b>TOTAL</b>	<b>10</b>	<b>\$3,301,319</b>	<b>\$3,553,115</b>	<b>\$2.06</b>	<b>\$2.22</b>	<b>7.63%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Financial Capital. Nebraska's financial capital efforts included state support of programs that use Community Development Block Grants (loan/bond financing in Table 10.3). Funding for these programs was relatively stable for the years surveyed. Data for Nebraska's Research and Development Authority were included under Other. The activities of this organization spanned business environment, financial capital, and technology/innovation. The "forced" choice of financial capital was made after discussions indicated that risk financing-equity investments (venture or seed capital) and small business financing were important aspects of the Authority's activity. Funding trends for programs included under this strategic foundation could not be predicted for the next five years.

Table 10.3

FINANCIAL CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR NEBRASKA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Loan/bond financing	1	\$110,000	\$118,000	\$0.07	\$0.07	7.27%
B) Risk financing/ equity investments	0					
C) Small business financing	0					
D) Export financing	0					
E) Other: Tech/innovation loans/bonds/investments	1	2,000,000	2,000,000	\$1.25	\$1.25	0.00%
<b>TOTAL</b>	<b>2</b>	<b>\$2,110,000</b>	<b>\$2,118,000</b>	<b>\$1.32</b>	<b>\$1.32</b>	<b>0.38%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Human Capital. Nebraska increased its investment in human capital programs in FY 1990 by over 400% (Table 10.4). The Skill Training Employment Program's funding increased from \$250,000 to \$1.3 million. This program offers customized recruitment and training resources to all businesses and industries in the state. Services include recruitment, screening and assessment, and customized training.

for the program was predicted to decrease over the next five years, suggesting that human capital would not be an area of emphasis for the state.

Table 10.4

HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR NEBRASKA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	0					
B) Training assist. for new & expanding co.	1	\$250,000	\$1,323,000	\$0.16	\$0.83	429.20%
C) Training assist for existing co.						
D) Bus/education training partnership	0					
<b>TOTAL</b>	<b>1</b>	<b>\$250,000</b>	<b>\$1,323,000</b>	<b>\$0.16</b>	<b>\$0.83</b>	<b>429.20%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Infrastructure and Quality of Life. No programs fitting the definition of infrastructure development or quality of life were funded by the state of Nebraska.

Technology/Innovation. Nebraska's technology/innovation funding focused heavily upon research centers at the University of Nebraska. Table 10.5 shows that funding for research centers increased from \$8 million to \$12 million, an increase of about 50%. The other programs funded provide technical assistance. All programs were predicted to experience funding increases over the next five years, indicating technology/innovation will continue to dominate Nebraska's economic development policy.

For a complete description of all programs and additional data tables, see Appendix J.

Table 10.5

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR NEBRASKA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	0					
B) Applied tech centers, R&D centers of excell.	2	\$8,020,000	\$12,060,000	\$5.01	\$7.53	50.37%
C) Small bus. research loans/grants/assist.	0					
D) Univ/bus partnership	0					
E) Inventor/royalty grants	0					
F) Patent information and assistance	0					
G) Technology offices	0					
H) Value-added programs and assistance	1	145,000	210,000	0.09	0.13	44.83%
I) Technical/technology assist; tech transfer	1	235,000	240,000	0.15	0.15	2.13%
J) Other	0					
<b>TOTAL</b>	<b>4</b>	<b>\$8,400,000</b>	<b>\$12,510,000</b>	<b>\$5.24</b>	<b>\$7.81</b>	<b>48.93%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

**B. Total Funding: State, Federal, and Other Sources**

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used to fund economic development programs was limited. Table 10.6 shows that the state funded 69.8% of the total budget in FY 1989.

**C. Administration and Staffing**

Five different agencies or organizations administered the 17 programs included in the analysis. Agencies included were: Department of Economic Development, University of Nebraska, Nebraska Research and Development Authority, Department of Labor, and the Department of Education.

Table 10.6

## ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS

## NEBRASKA

FY 1989

Foundation:	TOTAL	State	Federal	Other
Business Environment	\$ 4,023,319	82.1%	16.1%	1.9%
Financial Capital	7,210,000	29.3	70.7	
Human Capital	250,000	100.0		
Infrastructure	0			
Quality of Life	0			
Technology/Innovation	8,672,000	96.9	2.1	1.0
<b>TOTAL</b>	<b>\$20,155,319</b>	<b>69.8%</b>	<b>29.4%</b>	<b>1.0%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

Table 10.7

## STAFFING FOR NEBRASKA ECONOMIC DEVELOPMENT PROGRAMS

	FY 1989	FY 1990
Business Environment	54.5	61
Financial Capital	15	18
Human Capital	1	1
Infrastructure Development	0	0
Quality of Life	0	0
Technology/Innovation	42.25	49.75
<b>Total</b>	<b>112.75</b>	<b>129.75</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

While the reliability of staffing data was not established, the data do provide some indication of number of staff used by the program. Staffing for Nebraska's economic development programs increased from FY 1989 to FY 1990 (Table 10.7).

D. Conclusion

To summarize, Nebraska's rank in total state dollars spent was ninth in FY 1989 and tenth in FY 1990. When its small population base was factored in, its ranking improved. It ranked sixth in per capita funding in FY 1989 and fifth in FY 1990. Forty-seven percent of the 17 programs were predicted to experience funding increases over the next five years. Only Arkansas had more programs that were predicted to receive funding increases. Based upon analysis of funding levels, Nebraska had a two-level funding pattern that strongly favored technology/innovation over the other three areas funded (business environment, financial capital, human capital). While human capital funding increased dramatically in FY 1990, predictions of decreased funding over the next five years suggested that human capital development would not emerge as a top funded area for the state. For FY 1990, the top three funded strategic foundations for Nebraska were technology/innovation, business environment, and financial capital (a distant second and third).

## CHAPTER 11

### OKLAHOMA'S ECONOMIC DEVELOPMENT EXPENDITURES

Oklahoma, a state of approximately 3,242,000 in population,<sup>11</sup> was included in the study because of its geographic proximity to Kansas.

#### A. State Funding

##### 1. Total State Funding

Oklahoma ranked fifth in total state dollars spent in FY 1989 and 1990. State funds spent (FY 1989) or allocated (FY 1990) increased 13.28% from \$37,840,673 to \$42,864,048 (Table 11.1). Business environment and technology/innovation strategic foundations received the highest funding levels, while human capital and quality of life received much lower levels of funding. In FY 1990, a financial capital program was being designed to help firms enter the export market, making analysis of this strategic foundation premature. No programs were reported for the infrastructure strategic foundation. Oklahoma had two funding levels for the strategic foundations funded in FY 1989 and 1990: high funding level--business environment and technology/innovation; lower funding level--human capital and quality of life. Oklahoma's top three strategic foundations in FY 1990 funding were business environment, technology/innovation, and human capital (a distant third).

##### 2. State Funding Per Capita

Per capita spending averaged \$11.67 in FY 1989 and \$13.22 in FY 1990. The state ranked fourth in state funds spent per capita in FY 1989 and 1990. Figure 44 shows the two-level funding pattern. The business environment area averaged \$5.51 and the technology/innovation area averaged \$3.71 in FY 1989. Other funded

<sup>11</sup>U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.

areas averaged less than \$2.00 per capita. In FY 1990, per capita average for technology/innovation programs jumped to \$4.65 and human capital funding increased to \$1.56 (Figure 45).

Table 11.1  
ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION

Strategic Foundation:	No. of Programs	OKLAHOMA		PER CAPITA		Percent Change
		STATE FUNDS		1989	1990	
		1989	1990	1989	1990	
A) Business Environment	20	\$17,864,233	\$17,565,186	\$5.51	\$5.42	-1.67%
B) Financial Capital	1	0	168,848	0.00	0.05	N/A
C) Human Capital	1	3,388,333	5,044,133	1.05	1.56	48.87%
D) Infrastructure	0			0.00	0.00	
E) Quality of Life	2	4,554,107	5,020,881	1.40	1.55	10.25%
F) Technology/Innovation	7	12,034,000	15,065,000	3.71	4.65	25.19%
<b>TOTAL</b>	<b>31</b>	<b>\$37,840,673</b>	<b>\$42,864,048</b>	<b>\$11.67</b>	<b>\$13.22</b>	<b>13.28%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

### 3. Distribution of State Funds

Figures 46 and 47 show the distribution of state funds for FY 1989 and FY 1990. Again, the two-level funding pattern was clear for FY 1989. Of the strategic foundations funded by the state, business environment received 47.2% funding share and technology/innovation received a 31.8% share. Other areas' share ranged from 8.8% to 12%. Since the financial capital program included in FY 1990 was in a start-up phase, it was not possible to determine what funding levels would be once the program was fully implemented. With that area not included, FY 1990 funding also fit the two-level funding pattern.

### 4. State Funding and Trends by Strategic Foundation

Programs were grouped by categories within each of the six strategic foundations. This allowed for analysis of funding within each foundation.



Figure 44  
 State Support by Strategic Foundation  
 1989 Funding for Oklahoma (Per Capita)

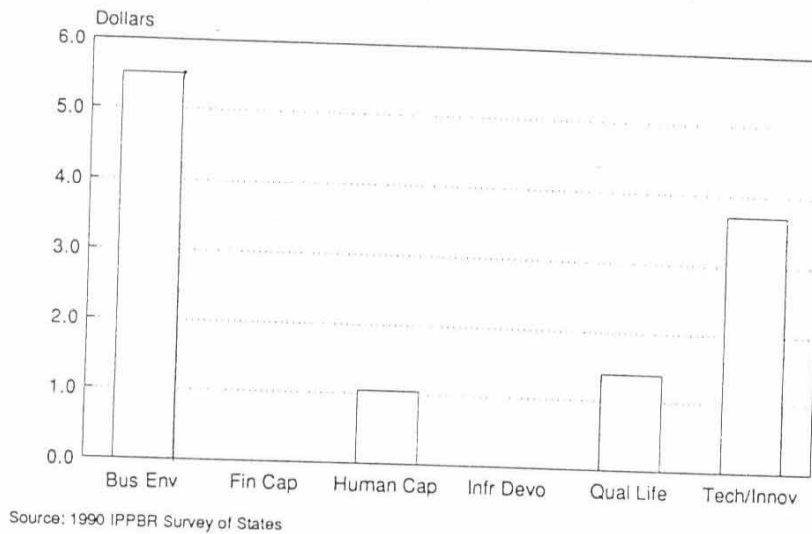


Figure 45  
 State Support by Strategic Foundation  
 1990 Funding for Oklahoma (Per Capita)

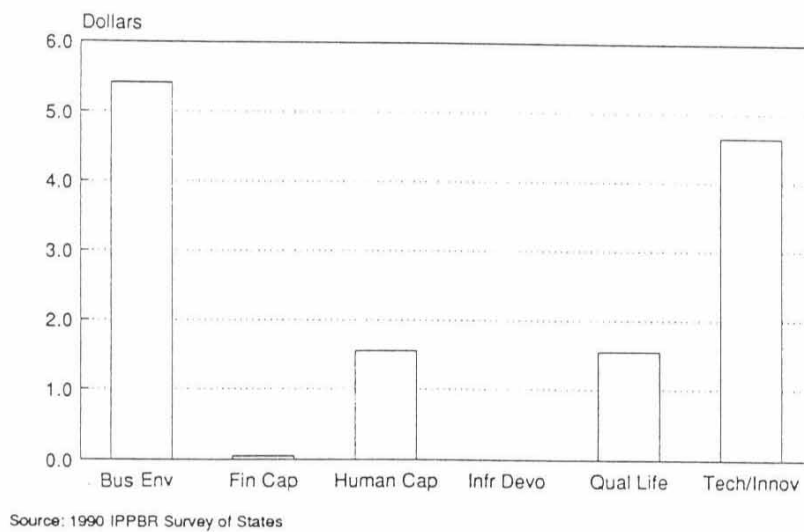
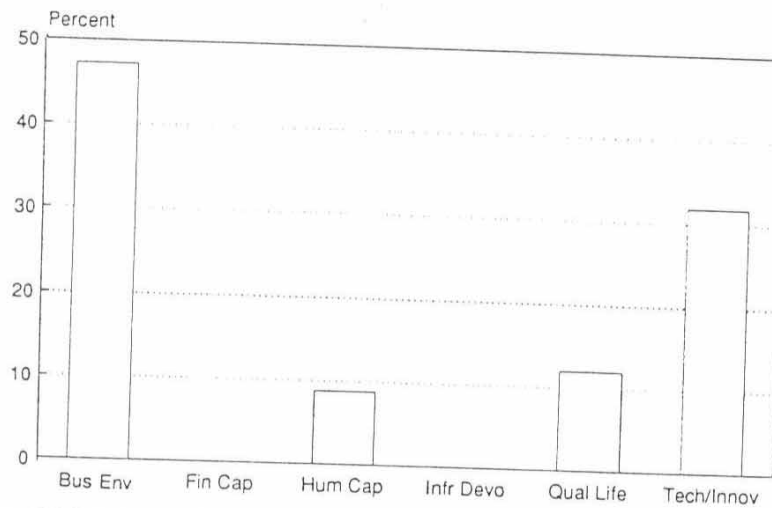
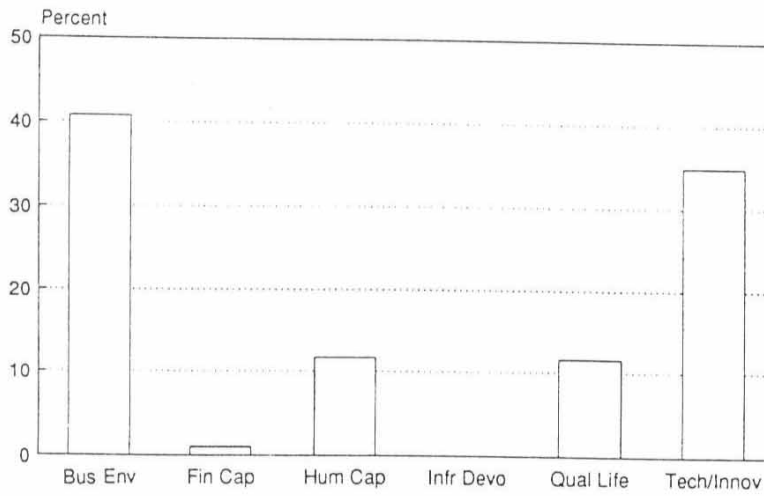


Figure 46  
Percent Share by Strategic Foundation  
1989 State Funding for Oklahoma



Source: 1990 IPPBR Survey of States

Figure 47  
Percent Share by Strategic Foundation  
1990 State Funding for Oklahoma



Source: 1990 IPPBR Survey of States

Business Environment. The program category under business environment receiving the largest share of funding was tourism and image promotion. That category's budget decreased 4.3% from FY 1989 to 1990 (Table 11.2). While several other categories had their budgets trimmed, the International Division (Department of Commerce), which focuses upon export market information and foreign

Table 11.2

BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES:  
STATE FUNDS FOR OKLAHOMA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	1	\$0	\$591,613	\$0.00	\$0.18	N/A
B) Int'l promo, recruitment, representation	1	1,367,804	1,599,650	0.42	0.49	16.95%
C) Business export	0					
D) SBDCs	1	560,031	560,031	0.17	0.17	0.00%
E) Business retention and expansion	1	3,215,716	2,696,206	0.99	0.83	-16.16%
F) Community/urban development	4	1,409,115	1,427,905	0.43	0.44	1.33%
G) Rural development	1	80,569	83,600	0.02	0.03	3.76%
H) Tourism and image promotion	2	7,744,894	7,411,579	2.39	2.29	-4.30%
I) Major indust. support	0					
J) Eco devo research	3	509,000	515,000	0.16	0.16	1.18%
K) Eco devo liaison	1	474,004	474,004	0.15	0.15	0.00%
L) Database devel.	1	170,000	150,000	0.05	0.05	-11.76%
M) Bus. incubators	1	50,000	50,000	0.02	0.02	0.00%
N) Film promo	1	150,331	117,966	0.05	0.04	-21.53%
O) Other:						
Mktg & Tech Assist	1	1,132,769	887,632	0.35	0.27	-21.64%
Small Bus Assist	1	1,000,000	1,000,000	0.31	0.31	0.00%
<b>TOTAL</b>	<b>20</b>	<b>\$17,864,233</b>	<b>\$17,565,186</b>	<b>\$5.51</b>	<b>\$5.42</b>	<b>-1.67%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

marketing (Category B), received the largest increase (16.95%). Overall, this strategic foundation's 1990 funds were 1.67% lower than its 1989 funding level.

Since only 10% of the programs were predicted to receive funding increases over the next five years, growth in this area does not seem likely.

Financial Capital. No programs focused upon economic development were reported in this area for FY 1989 (Table 11.3). In FY 1990, funds were allocated to plan a program that would provide a central point for companies to gain access to financial guarantees, helping them enter the export market. No predictions were made of funding trends over the next five year.

Table 11.3

FINANCIAL CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR OKLAHOMA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Loan/bond financing	0					
B) Risk financing/ equity investments	0					
C) Small business financing	0					
D) Export financing	1	0	168,848	\$0.00	\$0.05	N/A
<b>TOTAL</b>	<b>1</b>	<b>\$0</b>	<b>\$168,848</b>	<b>\$0.00</b>	<b>\$0.05</b>	<b>N/A</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Human Capital. Oklahoma increased its investment in human capital programs in FY 1990 by appropriating nearly \$2 million more for the Training for Industry Program (Table 11.4). This program offers customized training, free of charge, to companies locating in the state and Oklahoma firms who are expanding. This program was predicted to experience a funding increase over the next five years.

Infrastructure. No programs fitting the definition of infrastructure development were funded by the state of Oklahoma.

Table 11.4

HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR OKLAHOMA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	0					
B) Training assist. for new & expanding co.	1	\$3,388,333	\$5,044,133	\$1.05	\$1.56	48.87%
C) Training assist for existing co.	0					
D) Bus/education training partnership	0	0	0	0.00	0.00	
<b>TOTAL</b>	<b>1</b>	<b>\$3,388,333</b>	<b>\$5,044,133</b>	<b>\$1.05</b>	<b>\$1.56</b>	<b>48.87%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Quality of Life. Table 11.5 shows that quality of life strategic foundation funding increased by 10.25% in FY 1990 (Table 11.5). In FY 1990, funding levels were very similar for community arts programs and public television and radio support. Programs in both categories predicted funding increases over the next five years.

Table 11.5

QUALITY OF LIFE PROGRAM CATEGORIES:  
STATE FUNDS FOR OKLAHOMA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Community arts program (facilities/resources)	1	\$1,919,107	\$2,385,881	\$0.59	\$0.74	24.32%
B) Public TV/radio grants/support	1	2,635,000	2,635,000	0.81	0.81	0.00%
<b>TOTAL</b>	<b>2</b>	<b>\$4,554,107</b>	<b>\$5,020,881</b>	<b>\$1.40</b>	<b>\$1.55</b>	<b>10.25%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Technology/Innovation. Oklahoma's technology/innovation funding focused almost exclusively on research activities in the form of research grants and research centers. The Centers of Excellence at the state's universities are dedicated to developing preeminence in laser development and application, integrated design and manufacturing, and molecular medicine. The Oklahoma Center for the Advancement of Science and Technology (OCAST) is the organization responsible for the Centers of Excellence. While funding trends for most programs were not predicted or predicted no change, 14% of the programs were predicted to experience funding increases over the next five years.

Table 11.6

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR OKLAHOMA

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	1	\$2,670,000	\$2,670,000	\$0.82	\$0.82	0.00%
B) Applied tech centers, R&D centers of excell.	2	8,000,000	11,900,000	2.47	3.67	48.75%
C) Small bus. research loans/grants/assist.	1	100,000	200,000	0.03	0.06	100.00%
D) Univ/bus partnership	0					
E) Inventor/royalty grants	0					
F) Patent information and assistance	1	235,000	235,000	0.07	0.07	0.00%
G) Technology offices	0					
H) Value-added programs and assistance	0					
I) Technical/technology assist; tech transfer	1	60,000	60,000	0.02	0.02	0.00%
J) Other Equipment	1	969,000	0	0.30	0.00	-100.00%
<b>TOTAL</b>	<b>7</b>	<b>\$12,034,000</b>	<b>\$15,065,000</b>	<b>\$3.71</b>	<b>\$4.65</b>	<b>25.19%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

For a complete description of all programs and additional data tables, see Appendix K.

**B. Total Funding: State, Federal, and Other Sources**

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used to fund economic development programs was limited. Table 11.7 shows the state funded 60.4% of the total budget in FY 1989.

**Table 11.7**  
**ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS**

**OKLAHOMA**

**FY 1989**

<b>Foundation:</b>	<b>TOTAL</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>
Business Environment	\$32,027,233	55.8%	44.2%	
Financial Capital	0			
Human Capital	3,388,333	100.0		
Infrastructure	0			
Quality of Life	11,590,890	39.3	2.1	58.6%
Technology/Innovation	15,673,000	76.8	23.2	
<b>TOTAL</b>	<b>\$62,679,456</b>	<b>60.4%</b>	<b>28.8%</b>	<b>10.8%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

**C. Administration and Staffing**

Six different agencies or organizations administered the 31 programs included in the analysis. Agencies included were: Department of Commerce, State Arts Council, Oklahoma Educational Television Authority, Department of Tourism and Recreation, Oklahoma Department of Vocational-Technical Education, and the Oklahoma Center for the Advancement of Science and Technology.

While the reliability of staffing data was not established, the data do provide some indication of number of staff used by the program. Staffing for programs increased slightly from FY 1989 to FY 1990.

Table 11.8

STAFFING FOR OKLAHOMA ECONOMIC DEVELOPMENT PROGRAMS		
	FY 1989	FY 1990
Business Environment	188	195
Financial Capital	7	9
Human Capital	34.25	34.25
Infrastructure Development	0	0
Quality of Life	85	86
Technology/Innovation	DK	DK
<b>Total</b>	<b>314.25</b>	<b>324.25</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

D. Conclusion

To summarize, Oklahoma's rank in total state dollars spent was fifth in FY 1989 and 1990. The state ranked fourth in state funds spent per capita. Nineteen percent of the 31 programs were predicted to receive funding increases over the next five years. Based upon analysis of funding levels, Oklahoma had a two-level funding pattern: business environment and technology/innovation were funded at high levels; human capital and quality of life were funded at lower levels, although human capital funding increased in FY 1990. Analysis of commitment to financial capital was premature, since 1990 saw the beginning of program development in this area. The top three funded areas for Oklahoma in FY 1990 were business environment, technology/innovation, and human capital development.



## CHAPTER 12

### OREGON'S ECONOMIC DEVELOPMENT EXPENDITURES

Oregon's population is approximately 2,767,000.<sup>12</sup> Like Kansas, its funding of economic development programs is supplemented by the state lottery.

#### A. State Funding

##### 1. Total State Funding

Oregon ranked second in total state dollars spent in FY 1989 and 1990. State funds spent (FY 1989) or allocated (FY 1990) increased by 15.20% from \$56,944,290 to \$65,598,939 (Table 12.1). Over the two year period studied, Oregon consistently funded the business environment strategic foundation at levels far exceeding other strategic foundations. Business environment funding held steady from FY 1989 to 1990 (1.02% increase), while infrastructure development funding doubled with the addition of funds for the Community Facilities Grant program. Strategic foundation funding clustered at two levels: business environment received the largest share of state funds; technology/innovation, infrastructure, human capital, and financial capital received substantially smaller shares of the state's funds. No data for programs fitting the quality of life program definition were received.

##### 2. State Funding Per Capita

Per capita spending averaged \$20.58 in FY 1989 and \$23.71 in FY 1990. The state ranked first in per capita spending in FY 1989, and fell to second place (behind Minnesota) in FY 1990. Figure 48 shows that, while business environment spending was nearly \$12.00 in FY 1989, all other strategic foundations ranged from \$0 to \$4.20. In FY 1990, business environment continued to dominate at

<sup>12</sup>U.S. Department of Commerce, Bureau of the Census (Aug., 1989). County Population Estimates, July 1, 1988, 1987, 1986.

nearly \$12.00 per capita, while infrastructure development investment rose to an average of \$5.67 per capita (Figure 49).

Table 12.1

ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATION

OREGON

Strategic Foundation:	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Business Environment	16	\$32,531,412	\$32,864,746	\$11.76	\$11.88	1.02%
B) Financial Capital	3	1,750,000	1,878,000	\$0.63	\$0.68	7.31%
C) Human Capital	3	3,330,000	3,330,000	\$1.20	\$1.20	0.00%
D) Infrastructure	3	7,700,000	15,700,000	\$2.78	\$5.67	103.90%
E) Quality of Life	0			\$0.00	\$0.00	
F) Technology/Innovation	6	11,632,878	11,826,193	\$4.20	\$4.27	1.66%
<b>TOTAL</b>	<b>31</b>	<b>\$56,944,290</b>	<b>\$65,598,939</b>	<b>\$20.58</b>	<b>\$23.71</b>	<b>15.20%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

3. Distribution of State Funds

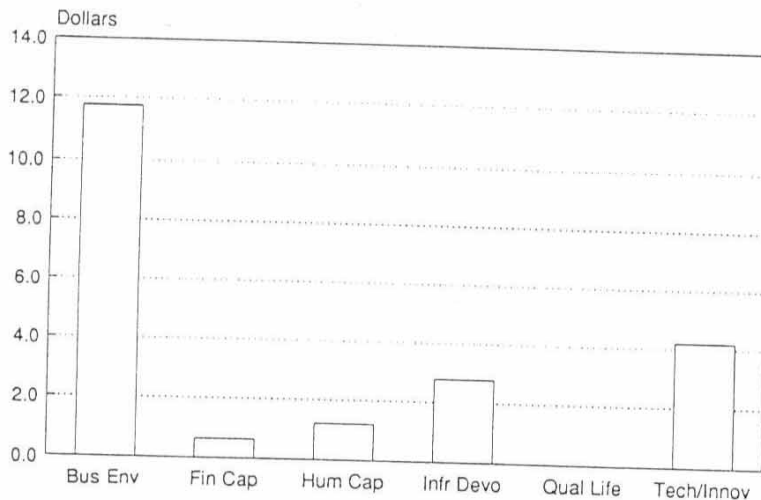
Figures 50 and 51 show the distribution of state funds for FY 1989 and FY 1990. Again, the two-level funding pattern was clearly illustrated for both years. However, in FY 1990, infrastructure development's share of state funds increased, but not by an amount large enough to alter the two-level funding pattern.

4. State Funding and Trends by Strategic Foundation

Programs were grouped by categories within each of the six strategic foundations. This allowed for analysis of funding within each foundation.

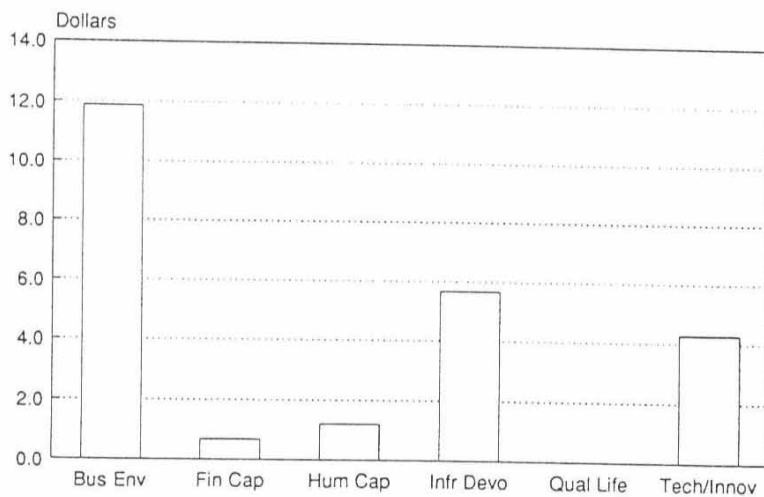
Business Environment. Program categories under business environment that received the largest share of funding were the Strategic Reserve Fund, listed under "Business Retention and Expansion," and the Regional Strategies Program, listed as "Other" (Table 12.2). These two programs dominated Oregon's approach

Figure 48  
State Support by Strategic Foundation  
1989 Funding for Oregon (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 49  
State Support by Strategic Foundation  
1990 Funding for Oregon (Per Capita)



Source: 1990 IPPBR Survey of States

Figure 50  
 Percent Share by Strategic Foundation  
 1989 State Funding for Oregon

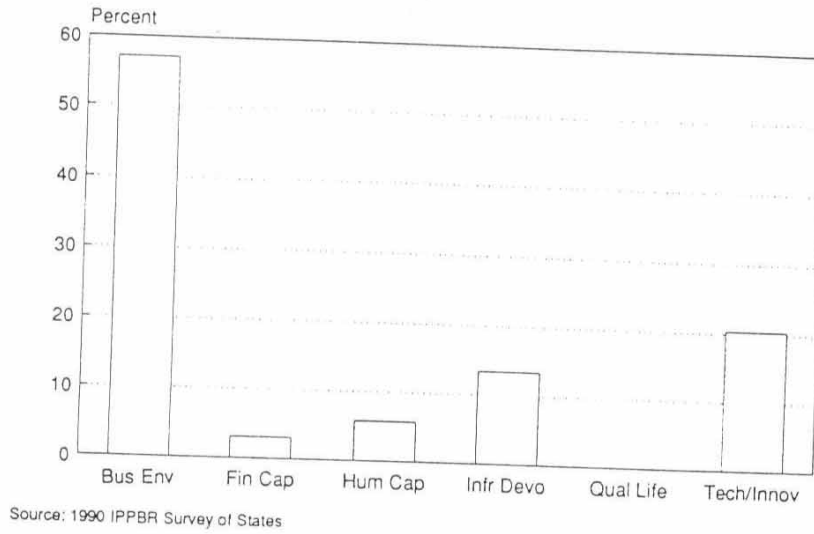


Figure 51  
 Percent Share by Strategic Foundation  
 1990 State Funding for Oregon

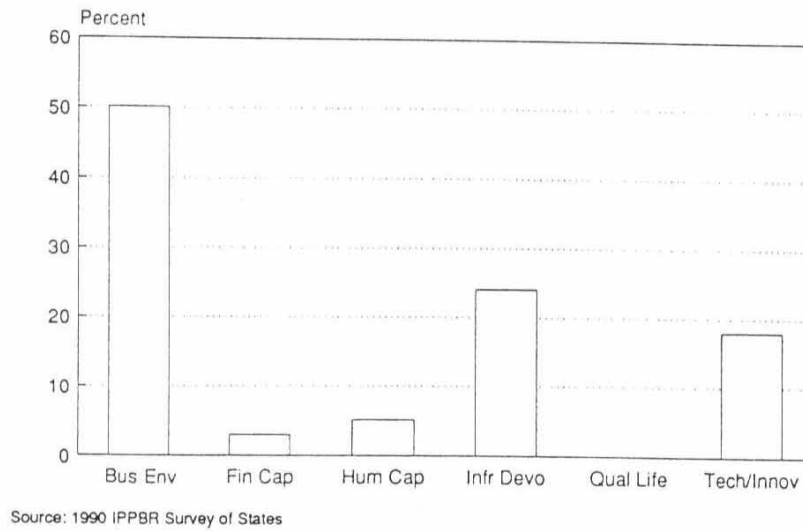


Table 12.2

BUSINESS ENVIRONMENT DEVELOPMENT PROGRAM CATEGORIES:  
STATE FUNDS FOR OREGON

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Out of state industrial recruitment	0					
B) Int'l promo, recruitment, representation	0					
C) Business export	2	\$1,890,000	\$1,890,000	\$0.68	\$0.68	0.00%
D) SBDCs	1	\$909,803	\$909,803	0.33	0.33	0.00%
E) Business retention and expansion	1	\$11,500,000	\$11,500,000	4.16	4.16	0.00%
F) Community/urban development	2	\$1,025,000	\$1,125,000	0.37	0.41	9.76%
G) Rural development						
H) Tourism and image promotion	1	\$2,500,000	\$2,800,000	0.90	1.01	12.00%
I) Major indust. support	3	\$1,472,609	\$1,472,609	0.53	0.53	0.00%
J) Eco devo research	3	\$675,000	\$882,334	0.24	0.32	30.72%
K) Eco devo liaison	0					
L) Database devel.	1	\$384,000	\$360,000	0.14	0.13	-6.25%
M) Bus. incubators	0					
N) Film promo	0					
O) Other	2	\$12,175,000	\$11,925,000	4.40	4.31	-2.05%
<b>TOTAL</b>	<b>16</b>	<b>\$32,531,412</b>	<b>\$32,864,746</b>	<b>\$11.76</b>	<b>\$11.88</b>	<b>1.02%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

to economic development and gave it its unique emphasis on regional development. The Strategic Reserve Fund supports new, expanding, or relocated businesses' projects that result in new jobs, retained jobs, or higher incomes with a statewide or regional significance. The Regional Strategies Program funds counties' economic development plans that capitalize on comparative advantages and opportunities. Economic development plans can be developed by one county or by groups of counties. Projects currently being funded have an impact on tourism, technology transfer, agriculture promotion, and maritime trade development. All plans are near-term, leverage other resources, are self-sustaining, and have long-term growth prospects. This program concentrates control of economic development at

the regional, rather than state, level. When asked to predict funding trends over the next five years, 50% of all programs in this strategic foundation were predicted to increase.

Financial Capital. Financial capital funding increased by 7.13% from FY 1989 to 1990 (Table 12.3). Funding focused upon loan programs. Programs did not predict increases in funding levels over the next five years.

Table 12.3

FINANCIAL CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR OREGON

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Loan/bond financing	2	\$1,500,000	\$1,628,000	\$0.54	\$0.59	8.53%
B) Risk financing/ equity investments	0					
C) Small business financing	0					
D) Export financing	0					
E) Other	1	250,000	250,000	\$0.09	\$0.09	0.00%
<b>TOTAL</b>	<b>3</b>	<b>\$1,750,000</b>	<b>\$1,878,000</b>	<b>\$0.63</b>	<b>\$0.68</b>	<b>7.31%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Human Capital. Oregon's funding of the human capital strategic foundation remained stable from FY 1989 to 1990 (Table 12.4). The Workforce Development Section (Economic Development Department) administers the programs that provide training assistance for businesses (Categories B and C). Other programs administered by that section, categorized under "Other," include programs such as Occupational Planning and Work Force Assessment, Literacy Hotline, and Public School Partnership. All programs predicted funding increases over the next five years.

Table 12.4

HUMAN CAPITAL PROGRAM CATEGORIES:  
STATE FUNDS FOR OREGON

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Productivity improvmt/ production assist.	0					
B) Training assist. for new & expanding co.	1	550,000	550,000	0.20	0.20	0.00%
C) Training assist for existing co.	1	225,000	225,000	0.08	0.08	0.00%
D) Bus/education training partnership	0					
E) Other	1	2,555,000	2,555,000	0.92	0.92	0.00%
<b>TOTAL</b>	<b>3</b>	<b>\$3,330,000</b>	<b>\$3,330,000</b>	<b>1.20</b>	<b>1.20</b>	<b>0.00%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Infrastructure. Oregon doubled its funding of the infrastructure strategic foundation in FY 1990 (Table 12.5). The increase was due to the Spring 1990 implementation of the Community Facilities Grant Program which assists municipalities with the financing of new infrastructure projects or improvements. None of the programs were predicted to receive funding increases over the next five years.

Table 12.5

INFRASTRUCTURE PROGRAM CATEGORIES:  
STATE FUNDS FOR OREGON

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) General loans/grants to communities	2	\$7,500,000	\$15,500,000	\$2.71	\$5.60	106.67%
B) Site develop/business park loans/grants	1	200,000	200,000	0.07	0.07	0.00
<b>TOTAL</b>	<b>3</b>	<b>\$7,700,000</b>	<b>\$15,700,000</b>	<b>\$2.78</b>	<b>\$5.67</b>	<b>103.90%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.

Quality of Life. No data were received for programs fitting the quality of life strategic foundation definition.

Technology/Innovation. Oregon's technology/innovation funding focused upon research centers (Category B: Centers of Excellence) and equipment funds for community colleges (Category J: Other) (Table 12.6). Other programs receiving funds provide firms with research and seed capital funds (Category A) or encourage research links between university faculty and the private sector (Category D). Thirty-three percent of the programs were predicted to experience increased funding over the next five years.

Table 12.6

TECHNOLOGY/INNOVATION PROGRAM CATEGORIES:  
STATE FUNDS FOR OREGON

Program Category	No. of Programs	STATE FUNDS		PER CAPITA		Percent Change
		1989	1990	1989	1990	
A) Res/product assistance, loans/grants	1	\$1,500,000	\$1,500,000	\$0.54	\$0.54	0.00%
B) Applied tech centers, R&D centers of excell.	1	4,832,878	5,026,193	1.75	1.82	4.00%
C) Small bus. research loans/grants/assist.	0					
D) Univ/bus partnership	2	1,400,000	1,400,000	0.51	0.51	0.00%
E) Inventor/royalty grants	0					
F) Patent information and assistance	0					
G) Technology offices	0					
H) Value-added programs and assistance	0					
I) Technical/technology assist; tech transfer	1	900,000	900,000	0.33	0.33	0.00%
J) Other	1	3,000,000	3,000,000	1.08	1.08	0.00%
<b>TOTAL</b>	<b>6</b>	<b>\$11,632,878</b>	<b>\$11,826,193</b>	<b>\$4.20</b>	<b>\$4.27</b>	<b>1.66%</b>

Source: 1990 Institute for Public Policy and Business Research State Survey.



For a complete description of all programs and additional data tables, see Appendix L.

B. Total Funding: State, Federal, and Other Sources

Because of the difficulty in collecting complete, accurate data for federal and other funding sources, especially for FY 1990, analysis of total dollars used to fund economic development programs was limited. Table 12.7 shows the state funded 71.5% of the total budget in FY 1989.

Table 12.7

ECONOMIC DEVELOPMENT RESOURCES BY STRATEGIC FOUNDATIONS

OREGON

FY 1989

Foundation:	TOTAL	State	Federal	Other
Business Environment	\$35,939,606	90.5%	2.4%	7.0%
Financial Capital	2,331,200	75.1		24.9
Human Capital	3,330,000	100.0		
Infrastructure	7,700,000	100.0		
Quality of Life	0			
Technology/Innovation	30,288,263	38.4	39.6	22.0
<b>TOTAL</b>	<b>\$79,589,069</b>	<b>71.5%</b>	<b>16.2%</b>	<b>12.3%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

C. Administration and Staffing

Ten different agencies or organizations administered the 31 programs included in the analysis. Agencies included were: Department of Economic Development, Oregon Trade and Marketing Center, Department of Higher Education, Portland State University, Oregon Resources and Technology Development Corporation, Department of Agriculture, Division of Vocational Technical Education, University of Oregon, Oregon State University, Department of Geology and Mineral Industries, and the Oregon Progress Board.

While the reliability of staffing data was not established, the data do provide some indication of number of staff used by the program. Staffing for programs increased slightly from FY 1989 to 1990 (Table 12.8).

Table 12.8

STAFFING FOR OREGON ECONOMIC DEVELOPMENT PROGRAMS		
	FY 1989	FY 1990
Business Environment	207	235
Financial Capital	20.1	20.1
Human Capital	DK	DK
Infrastructure Development	8.9	8.9
Quality of Life	0	0
Technology/Innovation	91.33	92.33
<b>Total</b>	<b>327.33</b>	<b>356.33</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

D. Conclusion

To summarize, Oregon's rank in total state dollars spent was second in FY 1989 and 1990. Rank by state per capita support fell from first in FY 1989 to second in FY 1990. Forty-two percent of the 31 programs were predicted to receive funding increases over the next five years. Based upon analysis of funding levels, Oregon had a two-level funding pattern for five of the six strategic foundations: business environment received high levels of funding, and technology/innovation, infrastructure development, human capital, and financial capital received lower levels of funding. In FY 1990, Oregon's top three funding areas were business environment, infrastructure development, and technology/innovation. Oregon was unique in that state economic development funds were used to push economic development strategic planning and implementation down to the regional (county or multicounty) level. No other state focused economic development so heavily at regional levels.

**APPENDIX A**

Dear \_\_\_\_\_:

Thank you for agreeing to help us collect funding data on economic development programs in Arkansas. The purpose of the study is to compare states' commitment to economic development at the program level. Attached are the forms that you will be using to complete the survey. The Check List of Economic Development Program Areas has been designed to define areas and programs that your state provides funding for economic development. Check all programs for which your state provides funding.

After completing the Check List, complete a separate Program Analysis form for each economic development program receiving state funds. For each program, please (I) provide the program title, (II) check the program area that the program falls under, (III) check which state agency or organization is responsible for administering the program, and (IV) provide a brief description of the program activities or goals (a brochure or other documents describing goals can be attached so you do not have to fill in this section). Section V requests budget information for 1989 (past year actual budget) and for 1990 (current year appropriated budget) for the programs; and Section VI requests total number of salaried personnel working in the program for the same two years.

Our schedule requires us to have data collected and analyzed for technology programs and infrastructure programs by March 1. To assist us in meeting this deadline, please prioritize programs in these two areas and mail the data to us by February 20, 1990. If we have not received data from you by February 26, members of the research team will call you to arrange to receive the data verbally from the appropriate person(s) for each program. Please send data for all remaining programs by March 16.

We have tried to make the survey as simple as possible. However, if you have any questions or problems, please call me. Please return the Check List and all Program Analysis forms to:

Beth Stella  
Institute for Public Policy and Business Research  
218 Summerfield Hall  
University of Kansas  
Lawrence, KS 66045-2960      Phone: (913) 864-3123

Thank you for your assistance. We will send you a copy of the final report which is scheduled for completion in May.

Sincerely,

Beth Stella, Ph.D.  
Research Associate

encl.

**KANSAS CHECK LIST: ECONOMIC DEVELOPMENT PROGRAM AREAS**

Check YES if your state provides funding for programs in the following areas:

YES	NO	
___	___	<b>I. Entrepreneurial environment - business/community support</b>
___	___	A. Out-of-state industrial recruitment
___	___	B. International promotion, recruitment, representation
___	___	C. Business export (e.g., trade shows, marketing, planning)
___	___	D. Small Business Development Centers funding
___	___	E. Business retention and expansion
___	___	F. Community/urban development
___	___	G. Rural development
___	___	H. Tourism and image promotion
___	___	I. Major industry support (e.g., assistance, promotion)
___	___	J. Economic development research
___	___	K. Economic development liaison (regional offices)
___	___	L. Database development
___	___	M. Business incubators
___	___	N. Film promotion
___	___	O. Other (specify) _____
___	___	<b>II. Financial capital assistance</b>
___	___	A. Loan/bond financing (composite/umbrella)
___	___	B. Risk financing/equity investments (venture or seed)
___	___	C. Small business financing (CDC, ESOP, general)
___	___	D. Export financing
___	___	E. Other (specify) _____
___	___	<b>III. Human capital - development of labor resources</b>
___	___	A. Productivity improvement/production assistance
___	___	B. Training assistance for new and expanding companies
___	___	C. Training assistance for existing companies
___	___	D. Business/education training partnership (e.g., equipment)
___	___	E. Other (specify) _____
___	___	<b>IV. Infrastructure development/assistance</b>
___	___	A. General loans/grants to communities
___	___	B. Site development/business park loans/grants
___	___	C. Other (specify) _____
___	___	<b>V. Technology/Innovation</b>
___	___	A. Research/product assistance loans/grants
___	___	B. Applied technology centers; R & D centers
___	___	C. Small business research loans/grants/assistance
___	___	D. University/business partnership
___	___	E. Inventor/royalty grants
___	___	F. Patent information and assistance
___	___	G. Technology offices
___	___	H. Value-added programs and assistance
___	___	I. Technical/technology assistance; technology transfer; info/network
___	___	J. Other (specify) _____
___	___	<b>VI. Quality of life</b>
___	___	A. Community arts programs (facilities, resources)
___	___	B. Public television/radio grants/support
___	___	C. Other (specify) _____

**APPENDIX B**

PROGRAM ANALYSIS: Kansas  
 (Complete one for each economic development program)

I. PROGRAM TITLE: \_\_\_\_\_

II. Program Area (Check one. See Check List for complete list of types of programs included in each area.)

- |  |   |
|--|---|
| <input type="checkbox"/> Entrepreneurial Environment | <input type="checkbox"/> Infrastructure Development |
| <input type="checkbox"/> Financial Capital           | <input type="checkbox"/> Technology/Innovation      |
| <input type="checkbox"/> Human Capital               | <input type="checkbox"/> Quality of Life            |
| <input type="checkbox"/> Other (specify) _____       |   |

III. State Agency or Organization Responsible for Administration (check):

- Department of Commerce
- Department of Economic Development
- Department of Human Resources
- Other (Specify) \_\_\_\_\_

IV. Program Activities/Goals (Provide brief description or attach brochure or other published description.)

V. BUDGET (past year actual; current year appropriated):\*

	<u>FY 1989</u>	<u>FY 1990</u>	
State Appropriation	_____	_____	* Will these funds show up as part of another program/ agency budget?  ___ YES    ___ NO
Federal Funds	_____	_____	
Other Funds	_____	_____	If YES, what program/agency?  _____
<b>Total:</b>	=====	=====	

How do you see the state's contribution to this program changing in the next 5 years?

- \_\_\_ No change    \_\_\_ Increasing    \_\_\_ Decreasing    \_\_\_ Don't Know

VI. PERSONNEL:                                      1989      1990

TOTAL NUMBER ON STAFF (FTE)                  \_\_\_\_\_

**BUSINESS ENVIRONMENT BUDGETS: FUNDING SOURCES**

FY 1989

<b>State:</b>	<b>Total Budget</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>
Arkansas	\$ 3,557,013	85.0%	15.0%	
Colorado	16,006,536	93.0	6.0	1.0%
Indiana	12,154,132	99.0	1.0	
Iowa	12,949,173	90.6	7.7	1.7
Kansas	22,573,555	32.0	64.0	5.0
Minnesota	77,988,595	50.6	45.9	3.5
Missouri	36,199,453	37.0	63.0	
Nebraska	4,023,319	82.0	16.0	2.0
Oklahoma	32,027,233	56.0	44.0	
Oregon	35,939,606	91.0	2.0	7.0
<b>TOTAL:</b>	<b>\$253,418,615</b>			
<b>AVERAGE:</b>	<b>\$ 25,341,862</b>			

FY 1990

<b>State:</b>	<b>Total Budget</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>
Arkansas	\$ 7,342,298	95.0%	5.0%	
Colorado	16,223,172	93.0	5.0	2.0%
Indiana	12,154,430	98.0	2.0	
Iowa	17,239,704	92.8	5.9	1.3
Kansas	23,232,948	27.0	68.0	4.0
Minnesota	100,496,875	56.1	40.7	3.2
Missouri	37,497,371	39.0	61.0	
Nebraska	4,335,915	82.0	14.0	4.0
Oklahoma	31,167,666	56.0	44.0	
Oregon	36,382,118	90.0	2.0	8.0
<b>TOTAL:</b>	<b>\$286,072,497</b>			
<b>AVERAGE:</b>	<b>\$ 28,607,250</b>			

Source: 1990 Institute for Public Policy and Business Research Survey of States.



FINANCIAL CAPITAL BUDGETS: FUNDING SOURCES

FY 1989

State:	Total Budget	State	Federal	Other
Arkansas	\$ 1,800,000	100%		
Colorado	4,750,000	42	58	
Indiana	14,174,775	66	34	
Iowa	16,661,132	70		30
Kansas	11,395,148*	49		51
Minnesota	0			
Missouri	0*			
Nebraska	7,210,000	29	71	
Oklahoma	0			
Oregon	2,331,200	75		25
<b>TOTAL:</b>	<b>\$58,322,255*</b>			
<b>AVERAGE:</b>	<b>\$ 5,832,226</b>			

FY 1990

State:	Total Budget	State	Federal	Other
Arkansas	\$ 0			
Colorado	5,500,000	27%	64%	9%
Indiana	9,597,468	100	**	
Iowa	9,484,792	100		<1
Kansas	1,105,000	100		
Minnesota	5,500,000	9		91
Missouri	0*			
Nebraska	7,018,000	30	70	
Oklahoma	168,848	100		
Oregon	2,469,940	76		24
<b>TOTAL:</b>	<b>\$40,844,048*</b>			
<b>AVERAGE:</b>	<b>\$ 4,084,405</b>			

\*Does not include \$2,530,841 in Kansas and an unknown amount in Missouri tax credit programs.

\*\*Not known.

Source: 1990 Institute for Public Policy and Business Research Survey of States.

HUMAN CAPITAL BUDGETS: FUNDING SOURCES

FY 1989

State:	Total Budget	State	Federal	Other
Arkansas	\$ 1,644,000	96.0%	4.0%	
Colorado	921,869	100.0		
Indiana	16,800,000	100.0		
Iowa	3,884,897	100.0		
Kansas	3,400,000	79.0	21.0	
Minnesota	19,059,664	93.2	6.8	
Missouri	6,574,592	100.0		
Nebraska	250,000	100.0		
Oklahoma	3,338,333	100.0		
Oregon	3,330,000	100.0		
<b>TOTAL:</b>	<b>\$59,203,355</b>			
<b>AVERAGE:</b>	<b>\$ 5,920,336</b>			

FY 1990

State:	Total Budget	State	Federal	Other
Arkansas	\$ 1,764,300	96.0%	4.0%	
Colorado	1,803,000	100.0		
Indiana	16,800,000	100.0		
Iowa	5,534,625	100.0		
Kansas	4,150,000	83.0	17.0	
Minnesota	18,275,647	100.0		
Missouri	5,610,230	100.0		
Nebraska	1,323,000	100.0		
Oklahoma	5,044,133	100.0		
Oregon	3,330,000	100.0		
<b>TOTAL:</b>	<b>\$63,634,935</b>			
<b>AVERAGE:</b>	<b>\$ 6,363,494</b>			

Source: 1990 Institute for Public Policy and Business Research Survey of States.

INFRASTRUCTURE BUDGETS: FUNDING SOURCES

FY 1989

State:	Total Budget	State	Federal	Other
Arkansas	\$22,523,804	7.0%	93.0%	1.0%
Colorado	0			
Indiana	13,336,000	14.0	86.0	
Iowa	3,715,000	78.0		22.1
Kansas	1,738,845	100.0		
Minnesota	0			
Missouri	28,000,000	18.0	82.0	
Nebraska	0			
Oklahoma	0			
Oregon	7,700,000	100.0		
<b>TOTAL:</b>	<b>\$77,013,649</b>			
<b>AVERAGE:</b>	<b>\$ 7,701,365</b>			

FY 1990

State:	Total Budget	State	Federal	Other
Arkansas	\$33,838,150	30.0%	70.0%	
Colorado	0			
Indiana	1,915,000	100.0	*	
Iowa	2,195,000	64.0		36.0%
Kansas	800,800	100.0		
Minnesota	0			
Missouri	28,000,000	18.0	82.0	
Nebraska	0			
Oklahoma	0			
Oregon	15,700,000	100.0		
<b>TOTAL:</b>	<b>\$82,448,150</b>			
<b>AVERAGE:</b>	<b>\$ 8,244,815</b>			

Source: 1990 Institute for Public Policy and Business Research Survey of States.

QUALITY OF LIFE BUDGETS: FUNDING SOURCES

FY 1989

State:	Total Budget	State	Federal	Other
Arkansas	\$ 5,735,000	59.0%	14.0%	27.0%
Colorado	0			
Indiana	0			
Iowa	11,123,172	68.0	14.0	18.0
Kansas	3,927,715	45.0	8.0	47.0
Minnesota	6,432,861	80.0	8.0	12.0
Missouri	5,433,348	90.0	10.0	
Nebraska	0			
Oklahoma	11,590,890	39.0	2.0	58.0
Oregon	0			
<b>TOTAL:</b>	<b>\$44,242,986</b>			
<b>AVERAGE:</b>	<b>\$ 4,424,299</b>			

FY 1990

State:	Total Budget	State	Federal	Other
Arkansas	\$ 5,870,000	65.0%	7.0%	28.0%
Colorado	0			
Indiana	40,000	100.0		
Iowa	12,223,632	70.7	12.9	16.4
Kansas	4,029,880	46.0	10.0	44.0
Minnesota	8,969,499	82.0	7.0	11.4
Missouri	5,535,371	90.0	10.0	
Nebraska	0			
Oklahoma	13,167,356	38.0	2.0	60.0
Oregon	0			
<b>TOTAL:</b>	<b>\$49,835,738</b>			
<b>AVERAGE:</b>	<b>\$ 4,983,574</b>			

Source: 1990 Institute for Public Policy and Business Research Survey of States.

TECHNOLOGY/INNOVATION BUDGETS: FUNDING SOURCES

FY 1989

State:	Total Budget	State	Federal	Other
Arkansas	\$ 1,915,010	71.0%	1.0%	28.0%
Colorado	11,330,374	20.0	42.0	38.0
Indiana	7,900,000	100.0		
Iowa	9,981,210	92.0	1.0	8.0
Kansas	16,840,952	27.0	9.0	64.0
Minnesota	18,562,030	69.4	9.4	21.3
Missouri	9,808,778	22.8	33.4	44.0
Nebraska	8,672,000	97.0	2.0	1.0
Oklahoma	15,673,000	77.0		23.0
Oregon	30,288,263	38.0	40.0	22.0
TOTAL:	\$130,971,617			
AVERAGE:	\$ 13,097,162			

FY 1990

State:	Total Budget	State	Federal	Other
Arkansas	\$ 3,276,446	76.0%	17.0%	7.0%
Colorado	5,432,035	50.0	15.0	35.0
Indiana	7,900,000	100.0		
Iowa	8,799,000	91.0	1.0	9.0
Kansas	5,899,136	97.0		3.0
Minnesota	31,421,628	78.4	8.6	13.0
Missouri	12,685,222	20.2	40.5	39.0
Nebraska	13,005,000	96.0	3.0	1.0
Oklahoma	25,055,000	60.0		40.0
Oregon	30,981,578	38.0	40.0	21.0
TOTAL:	\$144,455,045			
AVERAGE:	\$ 14,445,505			

Source: 1990 Institute for Public Policy and Business Research Survey of States.

**APPENDIX C**

**Kansas**

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Business Environment

## A. Out of state industrial recruitment

Industrial Development Division - Industrial Recruitment and International Marketing are under the administration of the Department of Commerce. The division's duties include: locate new industrial facilities from outside the state; identify and target companies which are looking for new manufacturing, distribution, office, or service center locations, making them aware of the advantages of doing business in the state; target companies based in Canada, Western Europe, and Asia; travel to Europe and Asia to further relationships with targeted firms; and coordinate in-state visits of prospects to communities.

	State	Federal	Other	Total
FY 1989	\$3,022,838	\$32,733	\$1,017	\$3,056,588
FY 1990	1,077,395	16,790		1,094,185

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 12

1990: 12

## B. International promotion, recruitment, representation

International Offices - the Department of Commerce administers foreign offices in West Germany and Japan.

	State	Federal	Other	Total
FY 1989	\$409,740			\$409,740
FY 1990	390,000			390,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: \*

1990: \*

\*staffing is obtained under contract

## C. Business export

Trade Development Division - the division, part of the Department of Commerce, serves the state by creating opportunities for businesses and industries to trade their products. Programs include export financing, trade services, and international and national trade development.

	State	Federal	Other	Total
FY 1989	\$587,029		\$23,954	\$610,983
FY 1990	800,785			800,785

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 10

1990: 12



D. Small Business Development Centers

Small Business Development Centers

	State	Federal	Other	Total
FY 1989	\$275,000	\$669,500	\$390,014*	\$1,334,514
FY 1990	275,000	669,500	376,088*	1,320,588

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: DK 1990: DK

\*Sources: Regents/Junior Colleges, in-kind/indirect match.

E. Business retention and expansion

Existing Industry Development Division - the Department of Commerce handles this division which emphasizes the growth, diversification, and retention of business and industry. Programs include Minority Business local Field Offices, and Small Business operations.

	State	Federal	Other	Total
FY 1989	\$777,213	\$5,513	\$9,032	\$791,758
FY 1990	824,555		4,000	828,555

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 19 1990: 19

F. Community/urban development

Community Development Division - the Department of Commerce, through this division, provides technical assistance, grants, and loans to communities in order to stimulate economic growth. Programs under the direction of the Division assist both rural and urban communities and include: Community Development Block Grants, Main Street, Kansas Pride, Rental Rehabilitation, the Rural Assistance Center, and the Huck Boyd Institute for Rural Development.

	State	Federal	Other	Total
FY 1989	\$621,181	\$13,670,321	\$89,831	\$14,813,333
FY 1990	958,098	15,214,533	56,675	16,229,306

State Funding Trend: **Decreasing**  
 Total Number of Staff, 1989: 21.5 1990: 28.5

G. Rural development

H. Tourism and image promotion

Division of Travel and Tourism - the Department of Commerce and its division are responsible for increasing the number of visitors to the state by promoting it as a travel destination for both in and out-of-state travelers. General information, visitor information centers, and publications are used to create a positive image of the state. Film promotion also encourages production companies to use the state as a film location.

	State	Federal	Other	Total
FY 1989	\$1,056,004		\$415,533	\$1,471,537
FY 1990	1,655,039		417,581	2,072,620

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 22      1990: 22.5

I. Major industry support

J. Economic development research

Kansas, Inc. - **Kansas, Inc.**, a public-private partnership, oversees the formulation of economic development policy for the state. Its responsibilities include strategic planning, analysis, and evaluation of economic development programs and policies.

	State	Federal	Other	Total
FY 1989	\$366,770		\$150,332	\$517,102
FY 1990	347,939		148,970	496,909

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 4      1990: 4

K. Economic development liaison

L. Database development

M. Business incubators

N. Film promotion

O. Other

Financial Capital

## A. Loan/bond financing

Certified Development Companies - the U.S. Small Business Administration administers the program and certifies the local non-profit corporations as CDCs. The CDCs provide financial packaging services to new and expanding businesses. Every county in the state is serviced by a CDC, and each organization seeks to create jobs and stimulate investment within their respective geographic area of operation.

	State	Federal	Other	Total
FY 1989	\$425,000			\$425,000
FY 1990	425,000			425,000

State Funding Trend: **No change**

Total Number of Staff, 1989: **NA**

1990: **NA**

Composite Industrial Development Revenue Bond Program - the **Kansas Development Finance Authority** oversees this program which can provide Kansas manufacturers with low-cost, long-term, tax-exempt financing for fixed assets, such as land, buildings, machinery, and equipment. Eligible businesses must use the proceeds for fixed, manufacturing assets, and the "pooled" bond program offers long-term financing at favorable market rates.

	State	Federal	Other	Total
FY 1989			*	
FY 1990			*	

State Funding Trend: **Don't know**

Total Number of Staff, 1989:

1990: **1**

\*self supporting

## B. Risk financing/equity investments

Ad Astra Fund - developed and funded in part by the **Kansas Technology Enterprise Corporation**, the fund provides first stage/post-prototype stage venture capital for advanced technology ventures. Investments are generally made on an equity basis.

	State	Federal	Other	Total
FY 1989	\$1,000,000			\$1,000,000
FY 1990	440,000			440,000

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: **NA**

1990: **NA**



D. Export financing

Trade Show Assistance Program - under the direction of the Department of Commerce, the program provides grants to companies as an incentive for them to display their products at trade shows, gaining entry into world markets.

	State	Federal	Other	Total
FY 1989	*			
FY 1990	\$100,000			\$100,000

State Funding Trend: Increasing  
 Total Number of Staff, 1989: \* 1990: 1

\*new program

Export Finance - under the Department of Commerce, the program assists Kansas exporters with state loan guarantees made through local banks.

	State	Federal	Other	Total
FY 1989	*			
FY 1990	\$500,000			\$500,000

State Funding Trend: Decreasing  
 Total Number of Staff, 1989: 0 1990: 2

\*new program

\*\*part of appropriation is one-time capitalization (\$750,000) of the program

Human Capital

- A. Productivity improvement/production assistance
- B. Training assistance for new and expanding companies

Kansas Industrial Training Program - the Department of Commerce coordinates this program with the Kansas State Department of Education. The purpose of this program is to meet the specialized training needs of new and expanding manufacturing, distribution, and service companies in the following formats: pre-employment training, on-the-job training, and classroom training. The Department of Human Resources can assist in recruiting, testing, and screening potential trainees.

	State	Federal	Other	Total
FY 1989	\$2,700,000*	\$700,000		\$3,400,000
FY 1990	3,450,000*	700,000		4,150,000

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 2\*\* 1990: 2\*\*

\*includes funding for the Kansas Industrial Retraining Program  
 \*\*includes staff for the Kansas Industrial Retraining Program

C. Training assistance for existing companies

Kansas Industrial Retraining Program - the Department of Commerce, in conjunction with the Kansas State Department of Education, provides customized retraining assistance to employees of restructuring industries who are likely to be displaced because of obsolete or inadequate job skills and knowledge. Eligible firms include those that are restructuring their operations through incorporation of existing technology, development and incorporation of new technology, diversification of production, or development and implementation of new production. Programs are on a cost-shared basis with industry.

Funding and Staffing: Included in Kansas Industrial Training Program

D. Business/education training partnership (e.g. equipment)

Infrastructure Development

A. General loans/grants to communities

Kansas Partnership Fund - under the administration of the Department of Commerce, the Fund provides loans to communities for unexpected or unanticipated infrastructure improvements. Entities can then repay the loan over an extended period of time.

	State	Federal	Other	Total
FY 1989	\$1,738,845			\$1,738,845
FY 1990	800,000			800,000

State Funding Trend: Don't Know  
 Total Number of Staff, 1989: 1990: 2

B. Site Development/business park loans/grants

Quality of Life

## A. Community arts program (facilities, resources)

Kansas Touring Program - the Kansas Arts Commission provides this program which seeks to encourage greater access to quality events in music, theater, and dance. The program is a roster of 49 performing arts groups and individual artists based in Kansas who are available for performances in other communities. Annual competition determines eligible performers.

	State	Federal	Other	Total
FY 1989	\$42,232	\$80,000		\$122,232
FY 1990	94,171	40,000		134,171

State Funding Trend: Don't know

Total Number of Staff, 1989: 1      1990: 1

Design Arts/Capital Aid Program - the Kansas Arts Commission uses this program to provide technical assistance and grant support to encourage art organizations and community leaders to cooperate in assessing cultural needs and work with design professionals to plan for the construction, acquisition, or renovation of buildings for use as public arts facilities, as well as for some equipment.

	State	Federal	Other	Total
FY 1989	\$162,187			\$162,187
FY 1990	149,696	17,000		166,696

State Funding Trend: Don't know

Total Number of Staff, 1989: 1      1990: 1

Rural Arts Initiatives - the Kansas Arts Commission provides technical and grant support to communities and organizations for cultural development projects.

	State	Federal	Other	Total
FY 1989	\$104,810			\$104,810
FY 1990	91,590	15,000		106,590

State Funding Trend: Don't know

Total Number of Staff, 1989: 1      1990: 1

Major Grants - the **Kansas Arts Commission** administers these grants which cover: Local Arts Agency Support - 50% of operating expenses for community arts agencies; Basic Program Support - funds to new and established arts organizations (orchestras, arts centers, museums, theatres, dance companies); Project Support - 50% of expenses for specific workshops, lectures, performances, and exhibitions; and Regional/Statewide Arts Service Organization - 50% of expenses of a intrastate or statewide arts organization.

	State	Federal	Other	Total
FY 1989	\$210,999	\$176,997		\$387,996
FY 1990	290,225	186,830		477,055

State Funding Trend: **Don't know**

Total Number of Staff, 1989: 1      1990: 1

Sudden Opportunity Grants - the **Kansas Arts Commission** provides \$750 or less to cover up to 50% of expenses for a project arising after the Major Grant deadline (see below). Organizations may request only one per year.

	State	Federal	Other	Total
FY 1989	\$5,694	\$13,773		\$19,467
FY 1990	10,000			10,000

State Funding Trend: **Don't know**

Total Number of Staff, 1989: 1      1990: 1

Mid America Arts Alliance - The **Kansas Arts Commission** and **Mid America Arts Alliance** administers this program which funds touring exhibitions and performances in a six-state region.

	State	Federal	Other	Total
FY 1989	\$102,700			\$102,700
FY 1990	44,304*	26,937*		71,241*

State Funding Trend: **No Change**

Total Number of Staff, 1989: 0      1990: 0

\*estimate

Folk Arts Apprenticeship - Administered by the **Kansas Arts Commission** to preserve traditional and less practiced arts.



	State	Federal	Other	Total
FY 1989		\$20,000		\$20,000
FY 1990	\$2,000*	20,000*		22,000*

State Funding Trend: **No Change**  
 Total Number of Staff, 1989: 0      1990: 0

\*estimate

Arts in Education - The **Kansas Arts Commission** administers this program which supplements art curriculum in schools through artists in residence. The program goal is to help schools realize the importance of art in the curriculum.

	State	Federal	Other	Total
FY 1989				
FY 1990	\$79,700	\$79,700		\$159,400

State Funding Trend: **No Change**  
 Total Number of Staff, 1989: 1      1990: 1

\*estimate

Arts in Basic Education - The **Kansas Arts Commission** administers this program which uses funds to help school districts plan art curriculum.

	State	Federal	Other	Total
FY 1989	\$20,000	\$20,000		\$40,000
FY 1990	30,000*		413*	30,413*

State Funding Trend: **No Change**  
 Total Number of Staff, 1989: 1      1990: 1

\*estimate

Traveling Visual Arts - The **Kansas Arts Commission** administers this program which stages traveling art exhibits of Kansas art.

	State	Federal	Other	Total
FY 1989	\$39,000		\$49,143	\$88,143
FY 1990	16,000*	20,000*		36,000*

State Funding Trend: **No Change**  
 Total Number of Staff, 1989: 0      1990: 0

\*estimate

Kansas 9 Exhibit - The Kansas Arts Commission administers this program which stages a state-wide competition of works of Kansas visual artists.

	State	Federal	Other	Total
FY 1989	\$5,000			\$5,000
FY 1990	5,000*			5,000*

State Funding Trend: **No Change**  
 Total Number of Staff, 1989: 0      1990: 0

\*estimate

B. Public television/radio grants/support

KANZ-FM Public Radio - the public radio station has received operating grant funds plus money for studio relocation and renovation.

	State	Federal	Other	Total
FY 1989	\$35,000		\$317,680	\$352,680
FY 1990	210,000*		526,814*	736,814

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 8      1990: 8

\*funding includes a one-time amount of \$175,000 for studio relocation and renovation

Public Television (KOD, KPTS, KCPT, KTU) - the public television stations have received operating grant funds plus money for construction and renovation.

	State	Federal	Other	Total
FY 1989	\$989,500*		\$1,488,000**	\$2,477,500
FY 1990	819,500*		1,230,000**	2,049,500

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 15.5      1990: 17.5

\*funding includes a one-time expenditure for broadcast expansion  
 \*\*KOD only.

C. Other

1. Professional artist support

Artist Fellowship/Professional Development Grants - the Kansas Arts Commission developed this pilot project to recognize the contributions that creative artists (choreographers, composers, prose/poetry writers, visual artists) make to Kansas and encourage them to expand their careers. This fiscal year, the program is offering fellowships to five

visual artists, all long-term Kansas residents, of recognized excellence. Following years will provide fellowships to other types of artists. Another program, offers grants to cover up to 50% of a project's expenses.

	State	Federal	Other	Total
FY 1989	\$45,000			\$45,000
FY 1990	25,000			25,000

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 1      1990: 1

Technology/Innovation

A. Research/product assistance loans/grants

Applied Research Matching Grants - the Kansas Technology Enterprise Corporation administers matching funds (up to 40% of project cost) for applied research leading to prototype products or processes to be commercialized by a Kansas company.

	State	Federal	Other	Total
FY 1989	\$1,250,000	\$400,000	\$2,050,000	\$3,700,000
FY 1990	850,000	*	*	850,000

State Funding Trend: No Change  
 Total Number of Staff, 1989: 1      1990: 1

\*matches are not available

Research/Training Equipment Grants - under the Kansas Technology Enterprise Corporation grants are offered to academic institutions for equipment to assist companies in product-related research and training.

	State	Federal	Other	Total
FY 1989	\$950,000	\$275,000	\$440,000	\$1,665,000
FY 1990	650,000	*	*	650,000

State Funding Trend: Increasing  
 Total Number of Staff, 1989: 0      1990: 0

\*matches are not available

B. Applied technology centers; R & D centers

Centers of Excellence - Kansas Technology Enterprise Corporation oversees interdisciplinary research centers directed toward economic development. Focus is in aircraft manufacturing, pharmaceutical, and general manufacturing. Five centers on four campuses.

	State	Federal	Other	Total
FY 1989	\$1,587,952*	\$492,000	\$8,306,000	\$10,385,952
FY 1990	3,046,136	**	**	3,046,136

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 1    1990: 1.5\*\*\*

\*KTEC funds were \$1,025,000 for FY '89 and \$2,450,000 for FY '90  
 \*\*matches are not available  
 \*\*\*management staff within agency

C. Small business research loans/grants/assistance

Small Business Innovation Research Matching Grants - the Kansas Technology Enterprise Corporation handles this program which provides a funding match of up to \$5,000 for applicants to the federal Small Business Innovation Research program.

	State	Federal	Other	Total
FY 1989	\$300,000	\$300,000	\$20,000	\$620,000
FY 1990	150,000	*	*	150,000

State Funding Trend: **Decreasing**  
 Total Number of Staff, 1989: 0    1990: 0

\*matches are not available

- D. University/business partnership
- E. Inventor/royalty grants
- F. Patent information and assistance
- G. Technology offices
- H. Value-added programs and assistance

Kansas Value Added Center - under the Kansas Technology Enterprise Corporation, the Center offers assistance to small companies in area of value-added processing of agricultural products.

	State	Federal	Other	Total
FY 1989	\$175,000			\$175,000
FY 1990	425,000			425,000

State Funding Trend: **No Change**

Total Number of Staff, 1989: 2    1990: 3

I. Technical/technology assistance; technology transfer; info/network

Special Projects - the projects undertaken by the **Kansas Enterprise Technology Corporation** include: database development, listing faculty resource profiles and corporate R & D capabilities; telecommunications enhancement, fiber optic network to all counties; and an intellectual property coordinator.

	State	Federal	Other	Total
FY 1989	\$230,000			\$230,000
FY 1990	300,000			300,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: DK    1990: DK

Industrial Liaison Offices - the **Kansas Technology Enterprise Corporation** utilizes these to offices for the following: dissemination of technical information; referral to consultants and universities; entrepreneur-manufacturer linkages; entree to federal laboratories and programs; proposal evaluation.

	State	Federal	Other	Total
FY 1989	\$65,000			\$65,000
FY 1990	328,000		150,000	478,000

State Funding Trend: **No Change**

Total Number of Staff, 1989: 0    1990: 5

J. Other

Distribution of Economic Development Funds  
Across Strategic Foundations

KANSAS

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$ 7,115,775	\$ 6,328,811	30.1%	31.1%
Financial Capital	5,760,000*	2,130,000	24.4	10.5
Human Capital	2,700,000	3,450,000	11.4	17.0
Infrastructure	1,738,845	800,000	7.4	3.9
Quality of Life	1,762,122	1,867,186	7.5	9.2
Technology/Innovation	4,557,952	5,749,136	19.3	28.3
<b>TOTAL</b>	<b>\$23,634,694*</b>	<b>\$20,325,133</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$22,573,555	\$23,232,948	37.7%	57.7%
Financial Capital	11,395,148*	2,130,000	19.0	5.3
Human Capital	3,400,000	4,150,000	5.7	10.3
Infrastructure	1,738,845	800,000	2.9	2.0
Quality of Life	3,927,715	4,029,880	6.6	10.0
Technology/Innovation	16,840,952	5,899,136	28.1	14.7
<b>TOTAL</b>	<b>\$59,876,215*</b>	<b>\$40,241,964</b>	<b>100%</b>	<b>100%</b>

\*Does not include \$2,530,841 in tax credit programs.

Source: 1990 Institute for Public Policy and Business Research Survey of States.

**APPENDIX D**

**Arkansas**

Business Environment

A. Out of state industrial recruitment

Industrial Development - the Arkansas Industrial Development Commission utilizes this program in order to target and recruit new industries, develop new facilities, and assist existing industry. Although the program mainly focuses on recruitment, it also helps expanding/existing industry through a loan guarantee program.

	State	Federal	Other	Total
FY 1989	\$200,000			\$200,000
FY 1990	220,000			220,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 16      1990: 17

B. International promotion, recruitment, representation

International Marketing - the Arkansas Industrial Development Commission administers this program and its three main activities: export promotion, foreign direct investment recruitment, and joint venture marketing.

	State	Federal	Other	Total
FY 1989	\$325,000			\$325,000
FY 1990	325,000			325,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 6.5      1990: 6.5

Foreign Offices - the Arkansas Industrial Development Commission oversees three foreign offices and their duties: Brussels (50% trade promotion, 50% investment recruitment); Tokyo (25% trade promotion, 75% investment recruitment); and Taipei (75% trade promotion, 25% investment recruitment).

	State	Federal	Other	Total
FY 1989	\$360,000			\$360,000
FY 1990	360,000			360,000

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 7      1990: 7

C. Business export

D. Small Business Development Centers



E. Business retention and expansion

Established Industries - the **Arkansas Industrial Development Commission** offers direct and indirect assistance to existing industry in the following areas: Marketing - general marketing and contact assistance, promotion of state products and business opportunities, and supplier/buyer matchmaker network; Finance - assistance in obtaining expansion capital through industrial revenue bonds, bond guarantees, set-aside program, and other sources; Efficiency - aids manufacturers in energy conservation and recycling; Training and Productivity - helps manufacturers meet training needs, sponsors secondary school involvement, and utilizes vo-tech as an education resource; and Advocacy - programs designed to make, provide, and save money, as well as increase profitability and cut red tape.

	State	Federal	Other	Total
FY 1989	\$153,000	\$247,118		\$400,118
FY 1990	165,627	247,118		412,745

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 6                      1990: 6

F. Community/urban development

G. Rural development

Governor's Rural Development Action Plan - the **Arkansas Industrial Development Commission** offers this program in order to improve economic growth in distressed rural communities. This self-help program helps local leaders identify problems, develop realistic plans for economic development, and implement strategies to generate employment. The program develops relationships between the communities and federal/state agencies, and local committees develop short, medium, long-term goals and "blueprints".

	State	Federal	Other	Total
FY 1989	\$214,160	\$273,729		\$487,889
FY 1990	254,396	90,000		344,396

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 9                      1990: 10

H. Tourism and image promotion

Tourism Promotion - Administered by the **Department of Parks and Tourism**, the purpose of this program is to mount a comprehensive marketing effort including research, advertising campaigns, promotional literature, and to increase regional matching funds.

	State	Federal	Other	Total
FY 1989	\$1,170,653			\$1,170,653
FY 1990	4,670,653			4,670,653

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 7                      1990: 7

I. Major industry support

J. Economic development research

Research - the **Arkansas Industrial Development Commission** administers this program to collect and disseminate economic data concerning communities, manufacturers, unions, manufacturing wages, etc.

	State	Federal	Other	Total
FY 1989	\$211,353			\$211,353
FY 1990	246,504			246,504

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 9                      1990: 11

K. Economic development liaison

L. Database development

Management Information Systems - under the **Arkansas Industrial Development Commission**, the goal of this program is to maintain and improve, according to a five year plan, the management information system for the Industrial Development Commission and two other agencies.

	State	Federal	Other	Total
FY 1989	\$152,000			\$152,000
FY 1990	163,000			163,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 2                      1990: 2.5

M. Business incubators

Business Incubator Program - operated by the **Arkansas Science and Technology Authority**, this program supports young, innovative businesses through five establishes facilities in the state. Local communities, as well as colleges and universities, work with local businesses in promoting incubators.

	State	Federal	Other	Total
FY 1989	\$250,000			\$250,000
FY 1990	600,000			600,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 1                      1990: 1

- N. Film promotion

Financial Capital

- A. Loan/bond financing
- B. Risk financing/equity investments

Seed Capital Investment Program - Arkansas Science and Technology Authority assists in the initial capitalization of businesses which are planning to develop, refine, and commercialize a science or technology based product, process, or service. Through this seed capital revolving fund, ASTA matches start-up financing, seeking royalty or loan payments in return.

	State	Federal	Other	Total
FY 1989	\$1,800,000*			\$1,800,000
FY 1990				

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 2                      1990: 2

\*funding reflects one-time appropriation of \$1.8M. Program now operates off the allocation and its interest earnings.

- C. Small business financing
- D. Export financing
- E. Other

Human Capital

- A. Productivity improvement/production assistance

Quality and Productivity Program - the Arkansas Industrial Development Commission convenes this task force, composed of business managers, educators, and governmental agency members, to address issues of Quality Management. To support this approach to management, the AIDC publishes a newsletter, provides information and materials, cosponsors bimonthly meetings, and cosponsors community quality initiatives.

	State	Federal	Other	Total
FY 1989	\$80,000	\$64,000		\$144,000
FY 1990	88,300	76,000		164,300

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 3.5    1990: 3.5

B. Training assistance for new and expanding companies

Arkansas Industry Training Program - the Vo-tech Education Division of the Department of Education is designed to meet the manpower needs of new and expanding industry by providing extensive training, either through on-the-job training or pre-employment training. The goal of the program is to mold and develop employees who are able to work in a new plant on its opening day.

	State	Federal	Other	Total
FY 1989	\$1,500,000			\$1,500,000
FY 1990	1,600,000			1,600,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 8    1990: 8

C. Training assistance for existing companies

D. Business/education training partnership (e.g. equipment)

Infrastructure Development

A. General loans/grants to communities

Community Development Block Grant - the Department of Economic Development assists non-entitlement cities by providing grants to eligible applicants through a two-phase review process. Projects can include: water systems, wastewater systems, energy cost reduction or housing improvements, flood protection or drainage improvements, public health units, fire protection, streets or roads, bridges, and community or neighborhood centers. The Economic Development Set-Aside Program funds infrastructure improvements or development financing assistance in basic manufacturing, primarily to create job opportunities for low to moderate income families.

	State	Federal	Other	Total
FY 1989	\$278,449	\$20,885,691	\$124,471	\$21,288,611
FY 1990	307,501	23,530,649		23,838,150

State Funding Trend: **Don't Know**  
 Total Number of Staff, 1989: 20    1990: 22

State Economic Development Infrastructure - grants to cities and counties can be awarded through the Department of Economic Development and this program. The mission of the program is to provide financial assistance for public works projects or job training which support job creation or alleviate conditions which threaten public health.

	State	Federal	Other	Total
FY 1989	\$1,235,192*			\$1,235,192
FY 1990	10,000,000**			10,000,000**

State Funding Trend: Don't Know  
 Total Number of Staff, 1989: 0      1990: 0

\*\$10,000,000 was appropriated for a two-year period (1988-1989) and \$7.8 million was spent in that two-year period.

\*\*one-half of a two-year appropriation. This amount is an estimate of the maximum amount that may be reached if general revenue funds are available and released by the governor.

- B. Site development/business park loans/grants

Quality of Life

- A. Community arts program (facilities, resources)

Arts Council - The Department of Arkansas Heritage supports regional and local arts programs' operations thru grants. Programs include: individual artists fellowships (recognizes achievements of state's artists); Arts on Tour (supplements presentation costs for exhibits and performances); and Arts in Education (supports artists activities in schools).

	State	Federal	Other	Total
FY 1989	\$1,000,000	\$420,000	\$50,000	\$1,470,000
FY 1990	1,000,000	420,000	50,000	1,470,000

State Funding Trend: Decreasing  
 Total Number of Staff, 1989: 10      1990: 11

- B. Public television/radio grants/support

Arkansas Educational Television Commission - the Department of Education and the Commission uses telecommunications to present a high-quality public television service designed to inform, educate, motivate, entertain, enlighten, and inspire. The mission of this program is to offer life-long learning opportunities, supply instructional programs to state schools, provide programming and services which improve and enhance the lives of state citizens, and illuminate the culture and heritage of the state and world.

	State	Federal	Other	Total
FY 1989	\$2,400,000	\$365,000	\$1,500,000	\$4,265,000
FY 1990	2,800,000		1,600,000	4,400,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 70      1990: 70

C. Other

1. Historical preservation

Department of Arkansas Heritage - the Department oversees eight agencies which all work to preserve and advance knowledge of the state's heritage. The agencies are: Central Administration - administrative needs; Historic Preservation Program - structure preservation; Arts Council - comprehensive statewide program to support the arts; Commemorative Commission - administers two historic properties; Natural and Scenic Rivers Commission - protects and promotes the state's free-flowing rivers and streams; Natural Heritage Commission - preserves tracts of land which are examples of natural landscape; Territorial Restoration - historic site containing frontier settlement buildings; and Delta Cultural Center - study and exhibit demonstrating the effect of the environment on the lifestyles of the state's inhabitants.

	State	Federal	Other	Total
FY 1989	\$2,828,463*	\$2,053,397	\$3,600,640	\$8,482,500*
FY 1990	3,222,882*	1,847,018	6,333,435	11,401,335*

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 88      1990: 96

\* To keep comparisons similar across states, the departmental budget was not included in our analysis. Only the Arts Council budget was included.

State Archives - the **Arkansas History Commission** is the official archives of the state and is responsible for collecting and preserving the source material of the history of Arkansas.

	State	Federal	Other	Total
FY 1989	\$622,729*			\$622,729*
FY 1990	696,153*			696,153*

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 18      1990: 18

\* To keep comparisons similar across states, this program was not included in our analysis.

Technology/Innovation

A. Research/product assistance loans/grants

Basic and Applied Research Programs - this program, under the **Arkansas Science and Technology Authority**, provides grants to colleges and universities who join with the business community to do basic and applied research of relevance to the Arkansas economy.

	State	Federal	Other	Total
FY 1989	\$403,981	\$22,000	\$243,672	\$669,653
FY 1990	600,000	DK	DK	600,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 2      1990: 2

B. Applied technology centers; R & D centers

Technological Centers for Excellence - the **Arkansas Science and Technology Authority** assists three college and university centers which research protein dynamics (basic and applied research), neurobiology, and cellular/molecular studies on biological aging.

	State	Federal	Other	Total
FY 1989				
FY 1990	\$560,000	\$560,000		\$1,120,000

State Funding Trend: **Decreasing**  
 Total Number of Staff, 1989: DK      1990: DK

C. Small business research loans/grants/assistance

D. University/business partnership

Research Development Fund - the **Department of Higher Education** will use natural gas royalties from federal reservations for two items. The first \$13 million accrued will go for higher education building maintenance, and the next \$10 million will be used to strengthen college and university research efforts. Currently, less than \$5 million has been accrued.

E. Inventor/royalty grants

F. Patent information and assistance

G. Technology offices

Arkansas Science and Technology Authority - the **Authority** administers several programs and offers research grant funds. The specific programs include: seed capital, business incubators, basic & applied research, and technology Centers of Excellence.

	State	Federal	Other	Total
FY 1989	\$677,515			\$677,515
FY 1990	1,037,204*			1,037,204

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 12      1990: 12

\*appropriation does not necessarily equal actual expenditures

- H. Value-added programs and assistance
- I. Technical/technology assistance; technology transfer; info/network

Arkansas Center for Technology Transfer - the ACTT offers assistance to industries and inventors within the state, utilizing the combined resources of professional engineers and students from all engineering disciplines. The end goal of providing technical assistance is to improve the economy of the state through better manufacturing technology, industrial training, and assisting entrepreneurs with new products and ventures.

	State	Federal	Other	Total
FY 1989	\$273,403		\$294,439	\$567,842
FY 1990	277,018		242,224	519,242

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 23      1990: 23

- J. Other



Distribution of Economic Development Funds  
Across Strategic Foundations

ARKANSAS

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$ 3,036,166	\$ 7,005,180	23.9%	27.7%
Financial Capital	1,800,000	0	14.2	0.0
Human Capital	1,580,000	1,688,300	12.5	6.7
Infrastructure	1,513,641	10,307,501	11.9	40.8
Quality of Life	3,400,000	3,800,000	26.8	15.0
Technology/Innovation	1,354,899	2,474,222	10.7	9.8
<b>TOTAL</b>	<b>\$12,684,706</b>	<b>\$25,275,203</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$3,557,013	\$7,342,298	9.6%	14.1%
Financial Capital	1,800,000	0	4.8	0.0
Human Capital	1,644,000	1,764,300	4.4	3.4
Infrastructure	22,523,803	33,838,150	60.6	64.9
Quality of Life	5,735,000	5,870,000	15.4	11.3
Technology/Innovation	1,915,010	3,276,446	5.2	6.3
<b>TOTAL</b>	<b>\$37,174,827</b>	<b>\$52,091,194</b>	<b>100%</b>	<b>100%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

**APPENDIX E**

**Colorado**

Business Environment

- A. Out of state industrial recruitment
- B. International promotion, recruitment, representation

International Trade - the Department of Economic Development promotes the state's business climate to overseas interests and assists state companies in the marketing of their products abroad. Other activities include one-on-one counseling, workshops, seminars, and overseas trade shows and missions.

	State	Federal	Other	Total
FY 1989	\$793,126			\$793,126
FY 1990	931,617			931,617

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 6      1990: 7

- C. Business export
- D. Small Business Development Centers

Small Business Development Centers - the program, under the direction of the Office of Economic Development and the U.S. S.B.A., provides short-term counseling for business start-ups, finance, market studies, and other educational services.

	State	Federal	Other	Total
FY 1989	\$379,847	\$477,275		\$857,122
FY 1990	601,864	477,275		1,079,139

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 31.5      1990: 31.5

- E. Business retention and expansion
- Office of Business Development - the Department of Economic Development administers this office which is a resource to local economic development organizations throughout the state who are aiding existing businesses or attracting new ones.

	State	Federal	Other	Total
FY 1989	\$1,300,000	\$130,000		\$1,430,000
FY 1990	785,869			785,869

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 23.53 1990: 12.0

- F. Community/urban development
- G. Rural development

Office of Rural Development - the Department of Local Affairs operates this program, which provides technical assistance to local governments regarding capital construction projects and the development of local economic diversification programs. Programs within the office include: Rural Downtown Development; Rural Tourism Development; Rural Revitalization - leadership development; and Colorado Initiatives - competitive bids for projects.

	State	Federal	Other	Total
FY 1989	\$342,061			\$342,061
FY 1990	388,828			388,828

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 6 1990: 6

- H. Tourism and image promotion

Colorado Tourism Board - the Board was created in order to promote the state as a tourist destination and operate state visitors' centers.

	State	Federal	Other	Total
FY 1989	\$8,021,705			\$8,021,705
FY 1990	8,806,285			8,806,285

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 21.3 1990: 21.3

- I. Major industry support

Department of Agriculture - the Department focuses on the marketing of the state's agricultural products, participating in international food shows, coordinating trade leads for international sales, and working with the Colorado Promotion Association.

	State	Federal	Other	Total
FY 1989	\$471,895	\$32,514	\$47,949	\$552,358
FY 1990	396,660		131,125	527,785

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 6      1990: 6

J. Economic development research

Colorado Economic Development Commission - the Commission, part of the Department of Local Affairs, performs the following duties: reviewing the economic needs of various geographic areas of the state, identifying the types of businesses most in need of assistance; reviewing and making available all information regarding the industrial opportunities in the state; reviewing state regulatory and taxing policies; and making information and assistance available for business relocation and expansion in the state.

	State	Federal	Other	Total
FY 1989	\$2,562,107			\$2,562,107
FY 1990	2,239,672			2,239,672

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 1.5      1990: 1.5

K. Economic development liaison

L. Database development

M. Business incubators

N. Film promotion

Motion Picture and Television Advisory Committee - the Department of Local Affairs created the Committee in order to promote the state as a location for film and television industry operations. It works in association with local film and video firms, acting as a liaison between film projects, potential investors, and local governments.

	State	Federal	Other	Total
FY 1989	\$339,961			\$339,961
FY 1990	325,000			325,000

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 6      1990: 6

0. Other

1. Administrative assistance

OED Administration - the Administration provides internal administrative support to Business Development, Small Business, and International Trade offices.

	State	Federal	Other	Total
FY 1989	\$209,529			\$209,529
FY 1990	247,051			247,051

State Funding Trend: No change  
 Total Number of Staff, 1989: 3.66 1990: 4.25

2. Small business creation/development

Business Advancement Center - the University of Colorado at Boulder - Business Advancement Center provides management and technical assistance to small businesses, in addition to in-depth consulting, technology transfer, federal consulting, and general education services. Services are offered from seven offices around the state.

	State	Federal	Other	Total
FY 1989	\$418,500	\$259,879	\$93,500	\$771,879
FY 1990	418,000	260,829	76,500	755,329

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 18.5 1990: 18.5

3. Regulatory assistance

Office of Regulatory Reform - the Department of Regulatory Affairs created the Office in order to consolidate, simplify, and expedite the state's business permit system. Other duties include: providing information on federal, state, and local business requirements; assisting businesses in their early stages of development; reviewing and recommending changes in state agency rules and regulations which affect small businesses; and providing environmental regulation assistance.

	State	Federal	Other	Total
FY 1989	\$6,787		\$119,901	\$126,688
FY 1990			136,597	136,597

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 4 1990: 4

Financial Capital

A. Loan/bond financing

Colorado Agriculture Development Authority - the **Authority** is a quasi-governmental corporation which addresses capital shortages of agricultural businesses. Low-interest financing is provided to farmers, ranchers, and agricultural processors for capital expenditures.

	State	Federal	Other	Total
FY 1989				-
FY 1990			\$6,800,000*	\$6,800,000

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: .25      1990: .25

\*funding is provided from tax-exempt revenue bonds and is not included in our analysis

B. Risk financing/equity investments

C. Small business financing

D. Export financing

E. Other

1. Rural assistance

Community Development Block Grant Fund - the **Department of Economic Development** handles this fund which provides financing for rural businesses throughout the state.

	State	Federal	Other	Total
FY 1989	\$2,000,000	\$2,750,000		\$4,750,000
FY 1990	1,500,000	3,500,000	500,000	5,500,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 3      1990: 3

Human Capital

A. Productivity improvement/production assistance

B. Training assistance for new and expanding companies

Colorado FIRST Customized Training - the program is jointly administered by the Office of Economic Development and Colorado Community Colleges and Occupational Education System in conjunction with the Colorado Department of Labor and Employment and the Governor's Job Training Office. FIRST provides new or expanding firms with specific employee training for new positions. Staff works with company personnel to design the required skills training program.

	State	Federal	Other	Total
FY 1989	\$921,869*			\$921,869
FY 1990	1,451,000*	*		1,451,000

State Funding Trend: Don't know  
 Total Number of Staff, 1989: DK      1990: DK

\*federal JTPA funding of \$1,099,226 (FY 1990) is not included in our analysis and state funding is from the community college system

Colorado Community Colleges and Occupational Education System - the System works with private firms, the Office of Economic Development, the Department of Labor and Employment, and the Governor's Job Training Office to develop customized job training programs.

	State	Federal	Other	Total
FY 1989	*			*
FY 1990	*			*

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 2.4      1990: 2.4

\*program funding not available

C. Training assistance for existing companies

Existing Industries Training Program - the Office of Economic Development and the Community Colleges and Occupational Education System operate this pilot project which concentrates on upgrading the skills of workers in existing industries.



	State	Federal	Other	Total
FY 1989				
FY 1990	\$352,000			\$352,000

State Funding Trend: **Don't know**

Total Number of Staff, 1989: 2      1990: 2

D. Business/education training partnership (e.g. equipment)

E. Other

1. Worker assistance

Governor's Job Training Office - the Office is the state administrator of federal JTPA funds. The goals of the office are: assisting public education and vocational training programs; targeting welfare recipients, handicapped, and the homeless; and maximizing human capital investments.

	State	Federal	Other	Total
FY 1989		*		
FY 1990		*		

State Funding Trend: **No change**

Total Number of Staff, 1989: .5      1990: .5

\*federal JTPA funding of \$1,200,000 (FY 1989) and \$1,500,000 (FY 1990) is not included in our analysis and funding represents expenditures on economic development projects.

Office of Rural Job Training - the Department of Local Affairs administers this program which offers tuition assistance for farmers, ranchers, or small business people who enroll in community college courses for training/retraining in the job market. The office is responsible for those areas of the state not covered by the Governor's Job Training Office.

	State	Federal	Other	Total
FY 1989		*		*
FY 1990		*		*

State Funding Trend: **No change**

Total Number of Staff, 1989: .5      1990: .5

\*federal JTPA funds of \$449,875 (FY 1989) and \$467,675 (FY 1990) are not included in our analysis

Technology/Innovation

A. Research/product assistance loans/grants

B. Applied technology centers; R & D centers

Colorado Advanced Technology Institute - the Institute was established in order to enhance advanced technology research and education in the state's university system. Its duties include: furthering university research capabilities; attracting superior faculty; encouraging industry participation in state educational programs; examining the long-range advanced technology needs of the state; and coordinating the state's educational system. Activities include: Advanced Materials Institute, Optoelectronics Computing Systems, Colorado Institute for Artificial Intelligence, Colorado SuperNet, and the Colorado Institute for Research in Biotechnology.

	State	Federal	Other	Total
FY 1989	\$2,243,689	\$4,759,071	\$4,327,614	\$11,330,374
FY 1990	2,515,772	758,659	1,878,734	5,153,165

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 5.3      1990: 5.3

C. University/business partnership

D. Small business research loans/grants/assistance

Small Business Assistance - the Department of Economic Development offers technical assistance to small businesses.

	State	Federal	Other	Total
FY 1989	*			*
FY 1990	\$200,000	\$78,870		\$278,870

State Funding Trend: No change  
 Total Number of Staff, 1989: 0      1990: 5

\*Business Development funded this program in FY 1989.

E. Inventor/royalty grants

F. Patent information and assistance

G. Technology offices

H. Value-added programs and assistance

I. Technical/technology assistance; technology transfer; info/network

Distribution of Economic Development Funds  
Across Strategic Foundations

COLORADO

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$14,845,518	\$15,140,846	74.2%	71.6%
Financial Capital	2,000,000	1,500,000	10.0	7.1
Human Capital	921,869	1,803,000	4.6	8.5
Infrastructure	0	0	0.0	0.0
Quality of Life	0	0	0.0	0.0
Technology/Innovation	2,243,689	2,715,772	11.2	12.8
<b>TOTAL</b>	<b>\$20,011,076</b>	<b>\$21,159,618</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$16,006,536	\$16,223,172	48.5%	56.0%
Financial Capital	4,750,000	5,500,000	14.4	19.2
Human Capital	921,869	1,803,000	2.8	6.2
Infrastructure	0	0	0.0	0.0
Quality of Life	0	0	0.0	0.0
Technology/Innovation	11,330,374	5,432,035	34.3	18.8
<b>TOTAL</b>	<b>\$33,008,779</b>	<b>\$28,958,207</b>	<b>100%</b>	<b>100%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

**APPENDIX F**

**Indiana**

Business Environment

- A. Out of state industrial recruitment
- B. International promotion, recruitment, representation
- C. Business export

Indiana Business Excellence Through Education Program - the Department of Commerce's Business Development Division oversees this program, which supports small and medium-sized businesses in obtaining international marketing assistance from an Indiana university or college. Eligible businesses and institutions work together, either through existing courses or specifically designed marketing programs. Areas can include: international sales, marketing, and distribution; foreign language or cultural/business environment; engineering/technical assistance; and translation of business materials.

	State	Federal	Other	Total
FY 1989	\$150,000			\$150,000
FY 1990	150,000			150,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 2                      1990: 2

Trade Shows Program - the Department of Commerce, under its Business Development Division, provides financial assistance to small and medium-sized businesses participating in trade shows outside of the United States. Expenses can include: booth space, shipping, transportation of display/products, booth furniture, equipment rentals, utilities at the show, translation services, and construction and dismantling of the display. A firm cannot receive more than \$5,000 per show and \$10,000 per year.

	State	Federal	Other	Total
FY 1989	\$200,000			\$200,000
FY 1990	200,000			200,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 2                      1990: 2

- D. Small Business Development Centers
- E. Business retention and expansion
- F. Community/urban development

Main Street Program - the Community Development Division of the Department of Commerce utilizes this program to encourage the development, redevelopment, and improvement of downtown areas in Indiana cities and towns. Technical assistance, such as phone inquiries, a

lending library, site visits, regional network meetings, and statewide conferences prepare communities and help them become self-reliant. As communities commit more of their own resources, they are rewarded through additional funding and training sessions.

	State	Federal	Other	Total
FY 1989	\$204,063			\$204,063
FY 1990	204,107			204,107

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 2                      1990: 2

Local Economic Development Organization Grant Program - the Community Development Division of the Department of Commerce handles this program which provides matching grants to economically disadvantaged communities which create or expand their local economic development councils/organizations.

	State	Federal	Other	Total
FY 1989	\$1,000,000			\$1,000,000
FY 1990	1,000,000			1,000,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 5                      1990: 5

Community Promotion Matching Program - the Department of Commerce's Community Development Division administers this program which strives to improve the quality of life in Indiana's communities by assisting them with the process of marketing their community as an attractive location for residential, commercial, and industrial growth. The Department establishes the criteria and regulations for eligible communities.

	State	Federal	Other	Total
FY 1989	\$250,000			\$250,000
FY 1990	250,000			250,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 5                      1990: 5

Neighborhood Assistance Program - the Community Development Division of the Department of Commerce manages this program which helps improve the quality of life in distressed Indiana communities, especially in areas of social services and housing. With the Department of Revenue as the financial overseer of this program, the budget is comprised solely of tax credits. Communities are granted tax credits on a matching ration of \$1 credit for every \$2 of private funding. The Department of Commerce establishes criteria for eligible projects and selects recipients.

	State	Federal	Other	Total
FY 1989	\$1,000,000			\$1,000,000
FY 1990	1,000,000			1,000,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 5                      1990: 5

Enterprise Zone Program - the Department of Commerce and its Community Development Division utilizes this program to stimulate reinvestment in certain areas and create jobs for area residents. By creating a favorable climate for private sector investment in the economically distressed areas, the program attempts to expand economic opportunities for area residents. Presently, there are 14 designated zones in the state, and all rely on a comprehensive development program which ties the efforts of business, residents, and government together.

	State	Federal	Other	Total
FY 1989	\$78,595			\$78,595
FY 1990	78,639			78,639

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 2                      1990: 2

G. Rural Development

Standardbred Program - under the direction of the Indiana Commission of Agriculture and Rural Development, the Standardbred Board of Regulations provides an Indiana standardbred stallion registry, promotes the establishment of specific harness races for registered stallions, supports all state harness races that solely include Indiana-owned horses, and provides educational programs.

	State	Federal	Other	Total
FY 1989	\$135,362			\$135,362
FY 1990	135,362			135,362

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 8                      1990: 8

H. Tourism and image promotion

Tourism and Development Program - the Department of Commerce oversees the Tourism Development Division, which is responsible for promoting Indiana, bringing tourism dollars into the state. Brochures, media advertisements, highlighting tourist locations, and new projects are used to increase tourist traffic.





	State	Federal	Other	Total
FY 1989	\$1,000,000			\$1,000,000
FY 1990	1,000,000			1,000,000

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 19      1990: 19

Indiana Economic Development Council - the Council is responsible for coordinating the activities of the numerous economic development organizations, consistent with the state plan; evaluating impact of various programs and any necessary changes; continuing the development of long-term plans; and communicating to the state's residents about the state's readiness for economic growth.

	State	Federal	Other	Total
FY 1989	\$219,243			\$219,243
FY 1990	219,243			219,243

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 5      1990: 5

- K. Economic development liaison
- L. Database development
- M. Business incubators

Small Business Incubator Program - under the administration of the Indiana Institute for New Business Ventures, this program is a revolving fund providing grants, loans, and loan guarantees to local organizations which meet certain criteria. Funds may be used only for the creation and operation of an incubator, and grants may be utilized only in designated economically disadvantaged areas.

	State	Federal	Other	Total
FY 1989	\$1,000,000			\$1,000,000
FY 1990	1,000,000			1,000,000

State Funding Trend: **No change**

Total Number of Staff, 1989: DK      1990: DK

- N. Film promotion

Film Promotion Program - under the Department of Commerce, the mission of this program is to assist film makers with film production in Indiana. This can include on-location or pre-production assistance: finding a suitable location, hiring extras, or providing additional information regarding climate and labor laws.

	State	Federal	Other	Total
FY 1989	\$210,904			\$210,904
FY 1990	210,992			210,992

State Funding Trend: **No change**

Total Number of Staff, 1989: 5                      1990: 5

0. Other

1. New business creation and development

Indiana Institute for New Business Ventures - the Institute fosters the development of new businesses by providing several resources: entrepreneur/management linkages, technical and financial support, and advisory/educational services. A computerized database also aids small businesses in obtaining seed, venture, and conventional forms of capital.

	State	Federal	Other	Total
FY 1989	\$425,000			\$425,000
FY 1990	425,000			425,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 7                      1990: 7

Enterprise Development Fund - the Department of Commerce, under the Institute for New Business Ventures, administers this program to promote opportunities for gainful employment and business creation. The fund provides loans to eligible local boards and local investment pools for the purpose of making and servicing grants, equity investments, loans, and loan guarantees to persons who are establishing or operating a business in the state. One target of the fund is "non-traditional" entrepreneurs, which includes: people who have little opportunity to become reemployed; people living slightly above the poverty level; minorities; women; senior citizens; young people (between 18-24 years of age); welfare recipients; owners of small businesses; physically challenged individuals; and family owned farms which are having economic difficulties.

	State	Federal	Other	Total
FY 1989	\$1,500,000			\$1,500,000
FY 1990	1,500,000			1,500,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 9                      1990: 9

## 2. Marketing and technical assistance

Federal Marketing Program - the Department of Commerce administers this program under its Business Development Division, providing professional marketing and technical assistance, at no cost, to firms that wish to increase sales of goods and services to the Department of Defense, federal agencies, and government contractors. Assistance includes one-on-one counseling with firms in order to determine markets, devising strategies for marketing products and services, providing contacts, and general information and workshops.

	State	Federal	Other	Total
FY 1989	\$300,000	\$150,000		\$450,000
FY 1990	250,000	200,000		450,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 5                      1990: 5

Regulatory Assistance Program - the Ombudsman Division of the Department of Commerce aids individual businesses or communities in their process of obtaining Indiana business permits. The Division has developed a Permit Assistance Center Database which contains all regulations, forms, and procedures necessary to obtain permits. Additionally, the Division acts as a mediator between businesses/communities and various agencies.

	State	Federal	Other	Total
FY 1989	\$196,049			\$196,049
FY 1990	196,171			196,171

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 4                      1990: 4

## 3. Primary and secondary education

Advancement for Global Education Program - the Business Development Division of the Department of Commerce provides the funds necessary to send K-12 administrators and instructors abroad to teach, work, or study. When they return, the administrators and instructors are expected to share and utilize their experiences in their relationships in the community, school, and corporation. The program's goal is to enlighten Indiana residents about the globalization of the world economy and its affect on everyone. Matching grants are also available to bring educators from abroad.

	State	Federal	Other	Total
FY 1989	\$125,000			\$125,000
FY 1990	125,000			125,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 2                      1990: 2

#### Financial Capital

A. Loan/bond financing

Strategic Development Program - the Department of Commerce created the fund to make grants and loans to non-profit industrial/business development agencies. Businesses, of similar services or product, which form a cooperative development project are eligible to receive a grant or loan to cover up to 50% of the project's cost. Businesses should also be within the same geographic area of the state and serve similar market sectors. Financial assistance is for existing businesses.

	State	Federal	Other	Total
FY 1989	\$1,500,000			\$1,500,000
FY 1990	1,500,000			1,500,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 9                      1990: 9

Indiana Employment Development Commission Guarantee Program - the Indiana Employment Development Commission provides loan/bond guarantees, letters of credit, and leases, if otherwise unavailable, for small/mid-sized industrial development projects which retain or create jobs. Eligible projects include the acquisition of land, site, building improvements, structures, machinery, and facilities involved in pollution control, manufacturing, and business enterprises. Examples of business enterprises would include computer and data processing services, commercial testing services, education and marketing centers for robotic and flexible automation equipment, and any business which creates/retains at least 500 jobs. The program takes private capital, reducing the risk to potential lenders/investors, and invests in job creating projects.

	State	Federal	Other	Total
FY 1989	\$500,000			\$500,000
FY 1990	500,000			500,000

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 7                      1990: 7

Indiana Employment Development Commission - the Commission funded a program which assisted Subaru in building a plant within the state.

	State	Federal	Other	Total
FY 1989	\$6,675,000			\$6,675,000
FY 1990	6,675,000			6,675,000

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 6      1990: 6

Investment Incentive Program - under the Department of Commerce, this program offers low-interest loans to new and expanding businesses. Eligible communities receive a grant or loan from the state, directly loaning those funds to firms which demonstrate that they are unable to achieve a reasonable return on investments when utilizing conventional sources of capital.

	State	Federal	Other	Total
FY 1989	\$617,775*	\$4,882,000		\$6,132,000
FY 1990	922,468*	**		922,468

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 19      1990: 19

\*this program is currently being funded from a previous allocation of \$5,000,000. No other funding is requested. Data shown here are based upon actual expenditures as of April 1990.

\*\*Federal appropriations for 1990 are not presently available.

Indiana Agricultural Development Corporation - the Corporation administers a loan guarantee program which seeks to aid farmers who wish to diversify their operations and assist agricultural value-added businesses. Financial institutions apply for the loan guarantee which is applicable only for projects which involve acquiring land, buildings, equipment, machinery, and breeding stock.

	State	Federal	Other	Total
FY 1989	*			
FY 1990	*			

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 19      1990: 19

\*no money was given to this program this biennium. Program is running off of a previous appropriation given in House Bill 1393.

B. Risk financing/equity investments

Corporation for Innovation Development - the Corporation provides venture capital funding to supplement rather than replace conventional financing. The Corporation is a privately owned company which provides equity financing for: commercialization of a developed process, accelerated expansion, and assistance in ownership changes and sales. A CID network also provides direct access to valuable technical and marketing experience.

C. Small business financing

D. Export financing

Indiana Export Finance Authority - the Authority was created in order to provide export finance to small and medium-sized businesses on a continuing basis. Low-risk, fixed interest loans are negotiated by the Authority through eligible Indiana financial institutions, and export credit and political risk insurance is also obtained for the exporter. Additionally, the Authority helps process paperwork and guide both exporters and financial institutions through the export transaction until the funds are collected from the foreign buyer.

	State	Federal	Other	Total
FY 1989	*			
FY 1990	*			

State Funding Trend: Decreasing  
 Total Number of Staff, 1989: 3                      1990: 3

\*no money was given to this program for this biennium. Program is running off of a previous appropriation.

Human Capital

A. Productivity improvement/production assistance

B. Training assistance for new and expanding companies

Training for Profit Program - the Department of Commerce and Indiana Board of Vocational and Technical Education work with eligible new and existing industry in order to design company-specific training programs. The program provides assistance in meeting the upfront training costs associated with new and expanding industries and provides assistance in locating skilled employees and additional sources of job training funds. Additionally, other types of assistance can focus on programs which relate directly to the projected increase in employment, which may include training of newly hired employees, retraining or upgrading of existing employees for jobs created by new investment.

	State	Federal	Other	Total
FY 1989	\$8,000,000			\$8,000,000
FY 1990	8,000,000			8,000,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 19      1990: 19

C. Training assistance for existing companies

Basic Industry Retraining Program - the Department of Commerce oversees this program which offers retraining assistance to existing manufacturers who utilize new technologies or manufacture new product mixes. The goal is to help industries adapt to a changing economy, and basic state industries, such as automobile, steel, and durable goods, are eligible for financial assistance to retrain employees at existing plants.

	State	Federal	Other	Total
FY 1989	\$5,100,000			\$5,100,000
FY 1990	5,100,000			5,100,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 19      1990: 19

D. Business/education training partnership (e.g. equipment)

E. Other

1. Worker assistance

Indiana Public Law 38 - the Department of Employment and Training Services utilizes this program to focus on dislocated and potentially dislocated workers.

	State	Federal	Other	Total
FY 1989	\$3,700,000	*		\$3,700,000
FY 1990	3,700,000	*		3,700,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 44      1990: 40

\*federal JTPA dollars totaled \$51,400,000 (FY 1989) and \$46,100,000 (FY 1990).

Infrastructure Development

## A. General loans/grants to communities

Industrial Development Program - the Department of Commerce oversees this program which gives grants and/or loans to communities for various infrastructure projects necessary to attract or retain businesses. Examples of projects include: sewers, access roads, rail spurs, water lines, and water storage tanks. Cities, towns, and counties are eligible to apply, as well as non-profit corporations and special town districts, in special circumstances.

	State	Federal	Other	Total
FY 1989	\$1,915,000	\$11,421,000		\$13,336,000
FY 1990	1,915,000	DK		DK

State Funding Trend: Decreasing

Total Number of Staff, 1989: 19

1990: 19

## B. Site development/business park loans/grants

Quality of Life

## A. Community arts program (facilities, resources)

## B. Public television/radio grants/support

Public Television Grants - the Department of Commerce provided the Muncie School Corporation with a GED-on-TV grant to broadcast an adult education program in East Central Indiana.

	State	Federal	Other	Total
FY 1989				
FY 1990	\$40,000*			\$40,000

State Funding Trend: Increasing

Total Number of Staff, 1989: NA

1990: NA

\*this is a listing of grants which fit this category and is accounted for in part of another portion of the state budget

## C. Other

Technology/Innovation

## A. Research/product assistance loans/grants

Indiana Corporation for Science and Technology - the Corporation is a partnership of businesses, government and universities that plays the lead role in strengthening the state's economy through development and application of science and technology to industry. CST works closely



with CID (Corp. for Innovation Development), a privately owned venture capital fund investment company. CST operates the following: research grants, technology transfer, technical and managerial assistance.

	State	Federal	Other	Total
FY 89	\$7,500,000			\$7,500,000
FY 90	7,500,000			7,500,000

State Funding Trend: **Decreasing**

Staff: 1989: 15 1990: 15

- B. Applied technology centers; R & D centers
- C. Small business research loans/grants/assistance
- D. University/business partnership
- E. Inventor/royalty grants
- F. Patent information and assistance
- G. Technology offices
- H. Value-added programs and assistance

Indiana Value-Added Program - under the direction of the **Indiana Commission Agriculture and Rural Development**, value-added grants are aimed at increasing the value of Indiana produced agricultural commodities.

	State	Federal	Other	Total
FY 89	\$400,000	0	0	\$400,000
FY 90	400,000	0	0	400,000

State Funding Trend: **No Change**

Staff: 1989: 3 1990: 3

- I. Technical/technology assistance; technology transfer; info/network
- J. Other

Distribution of Economic Development Funds  
Across Strategic Foundations

INDIANA

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$12,004,132	\$11,954,430	25.1%	24.8%
Financial Capital	9,292,775	9,597,468	19.4	19.9
Human Capital	16,800,000	16,800,000	35.1	34.8
Infrastructure	1,915,000	1,915,000	4.0	4.0
Quality of Life	0	40,000	0.0	0.1
Technology/Innovation	7,900,000	7,900,000	16.5	16.4
<b>TOTAL</b>	<b>\$47,911,907</b>	<b>\$48,206,898</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$12,154,132	\$12,154,430	18.9%	25.1%
Financial Capital	14,174,775	9,597,468	22.0	19.8
Human Capital	16,800,000	16,800,000	26.1	34.7
Infrastructure	13,336,000	1,915,000	20.7	4.0
Quality of Life	0	40,000	0.0	0.1
Technology/Innovation	7,900,000	7,900,000	12.3	16.3
<b>TOTAL</b>	<b>\$64,364,907</b>	<b>\$48,406,898</b>	<b>100%</b>	<b>100%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

**APPENDIX G**

**Iowa**

## Business Environment

## A. Out of state industrial recruitment

National Marketing Advertising - the Department of Economic Development funds out-of-state national marketing advertising contracts for electronic media and printed materials to promote a positive economic development image of the state, encourages existing businesses to grow, and attracts out-of-state businesses to locate and invest in the state.

	State	Federal	Other	Total
FY 1989	\$1,995,791			\$1,995,791
FY 1990	3,000,000			3,000,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 0                      1990: 0

## B. International promotion, recruitment, representation

International Marketing - the Department of Economic Development oversees this program which offers trade and investment services, special programs, and educational programs. Trade and investment services include foreign offices, trade leads, trade missions, trade show, export finance programs, and foreign investment services. Special programs include hosting foreign visitors, cultural contact, and sister cities. Finally, educational programs cover export training sessions, an annual Governor's conference on exporting, individual consultations, and publications.

	State	Federal	Other	Total
FY 1989	\$1,475,000			\$1,475,000
FY 1990	1,575,000			1,575,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 12                      1990: 12

## C. Business export

International Trade Bureau - the Department of Agriculture administers this program to provide state exporters with export and marketing support.

	State	Federal	Other	Total
FY 1989	\$164,500			\$164,500
FY 1990	228,000			228,000

State Funding Trend: **Don't know**

Total Number of Staff, 1989: DK                      1990: 3

## D. Small Business Development Centers

Small Business Development Centers - this program, initiated and administered by the U.S. Small Business Administration and Iowa State University, provides statewide management and technical assistance to small businesses. Utilizing faculty, graduate students, and staff, the program sponsors conferences and workshops, operates several outreach offices, expands rural development efforts, and establishes areas of specialization.

	State	Federal	Other	Total
FY 1989	\$825,000	\$825,000		\$1,650,000
FY 1990	1,300,000	825,500		2,125,500

State Funding Trend: No change

Total Number of Staff, 1989: 22      1990: 25

## E. Business retention and expansion

Existing Industry Program - the Department of Economic Development works with expanding existing businesses in the state.

	State	Federal	Other	Total
FY 1989	\$120,821			\$120,821
FY 1990	124,006			124,006

State Funding Trend: Increasing

Total Number of Staff, 1989: DK      1990: 2

## F. Community/urban development

Iowa Community Betterment Program - administered by the Department of Economic Development, this program promotes self-help and direct community involvement in short and long-term improvement projects. Open to all incorporated and unincorporated cities, as well as neighborhoods in cities with population of 10,000 or more, the ICBP awards outstanding community projects and presents cash rewards.

	State	Federal	Other	Total
FY 1989	\$40,000			\$40,000
FY 1990	40,000			40,000

State Funding Trend: Increasing

Total Number of Staff, 1989: 1      1990: 1

Council of Governments Assistance - the Department of Economic Development administers this program which provides technical assistance to the political subdivisions of the state and coordinates the delivery of local services between the political subdivisions of the state. Focus is on economic and community development, long-range planning, and infrastructure.

	State	Federal	Other	Total
FY 1989	-			-
FY 1990	\$300,000	*	*	\$300,000

State Funding Trend: Don't know

Total Number of Staff, 1989: DK      1990: DK

\*funding sources unknown by state - funds go directly to communities

Town Square Program - the program is a collaborative effort between the Iowa Arts Council and Iowa State University's College of Design to encourage community residents to work together, through a competitive application process, to sponsor a team of artists and design professionals to redesign their town square. Program includes: awareness workshops, design team competition, design construction by team, and follow-up consultation by the College of Design for all applicants.

	State	Federal	Other	Total
FY 1989	\$70,000			\$70,000
FY 1990	120,000			120,000

State Funding Trend: Increasing

Total Number of Staff, 1989: 0      1990: 0

Community Economic Preparedness Program - the program in the Department of Commerce offers self-help programs to start community-based development organizations, adding and attracting new businesses to the existing economic base. Programs include: Commercial Business Development, which focuses a variety of methods to maintain and/or develop a central business district; Industrial Development, which works to visit and financially assist existing industry and promote possible new sites and business; and Tourism Development, which strives to form a local tourism plan, collect data, and establish tourist information centers.

	State	Federal	Other	Total
FY 1989	\$50,000			\$50,000
FY 1990	150,000			150,000

State Funding Trend: No change

Total Number of Staff, 1989: 1      1990: 3

Main Street Iowa and Rural Main Street - the **Department of Economic Development** oversees this program which is designed and operated in conjunction with the National Main Street Center's Main Street Approach to downtown revitalization. The state serves as facilitator, organizer, and motivator for the local program. Services, technical assistance, and grants are provided at different levels over a three year period. Assistance includes: on-site visits, access to resources, evaluations, public relations, design assistance, and program manager training. Rural Main Street serves communities with population of 5,000 or less in a two year program.

	State	Federal	Other	Total
FY 1989	\$393,000			\$393,000
FY 1990	639,000			639,000

State Funding Trend: **Don't know**

Total Number of Staff, 1989: 3                      1990: 3

G. Rural development

Rural Enterprise Fund - the purpose of this program, handled by the **Department of Economic Development**, is to provide support to rural communities in the form of seed money, technical assistance, and training to achieve the following objectives: increase communities/business leaders involvement; encourage communities/groups to pool resources and form linkages in economic development efforts; emphasize a positive environment for business creation/expansion/retention; and enhance the rural access to services.

	State	Federal	Other	Total
FY 1989	-			-
FY 1990	400,000*			400,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 1                      1990: 1

\*does not include \$95,000 used for pilot projects or \$50,000 allocated directly to a 7 community cluster

Rural Development/Coordination - the **Department of Economic Development** manages the rural information and referral systems; coordinates rural development programs; cooperates in the coordination of other development activities among state, federal, and private groups; and identifies rural development policy issues which should be addressed.

	State	Federal	Other	Total
FY 1989	\$112,613			\$112,613
FY 1990	175,000			175,000

State Funding Trend: **Don't know**

Total Number of Staff, 1989: DK      1990: 2

H. Tourism and image promotion

Welcome Centers - the Department of Economic Development operate information centers which provide information and assistance to travelers and encourages them to extend their visit in the state by coordinating and distributing state, regional, and local brochures on tourism opportunities, providing guidance and assistance through the use of tourism guides, and coordinating exhibits and displays of state products.

	State	Federal	Other	Total
FY 1989	\$2,000,000			\$2,000,000
FY 1990	700,000			700,000

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 0      1990: 0

Tourism Advertising - conducted by the Department of Commerce, Tourism Advertising funds in and out-of-state tourism through electronic media and printed materials to create an awareness of state tourism opportunities and develop a positive image about the state.

	State	Federal	Other	Total
FY 1989	\$1,708,000			\$1,708,000
FY 1990	2,785,000			2,785,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 0      1990: 0

Mississippi River Parkway - the Department of Economic Development oversees this program in which volunteers work with other Mississippi River states to promote the river as a tourist attraction.

	State	Federal	Other	Total
FY 1989	\$18,479	DK		\$18,479
FY 1990	19,535	DK	19,535	

State Funding Trend: **No change**

Total Number of Staff, 1989: 0      1990: 0



## I. Major industry support

Rural Revitalization Program - the Department of Agriculture and Land Stewardship provides grants for studies and pilot projects to develop public/private partnerships to assist producers of agricultural products in the promotion, marketing, and selling of products; develop alternative agricultural enterprises; and to assist selected applicants to attract industrial and service industries that will utilize agricultural inventories, create new products from agricultural commodities, and add value to traditional enterprises.

	State	Federal	Other	Total
FY 1989	\$150,000			\$150,000
FY 1990	450,000			450,000

State Funding Trend: Don't know  
Total Number of Staff, 1989: DK      1990: DK

Agriculture Diversification Bureau - the Department of Agriculture and Land Stewardship administers this effort to provide technical product diversification assistance to producers (e.g. alternative crops, new markets).

	State	Federal	Other	Total
FY 1989	\$411,000			\$411,000
FY 1990	390,000			390,000

State Funding Trend: Don't know  
Total Number of Staff, 1989: DK      1990: DK

Wool Management and Education Program - the Department of Agriculture and Land Stewardship provides grants to initiate education projects at merged area schools to educate lamb and wool producers about the production and marketing of their products.

	State	Federal	Other	Total
FY 1989	\$100,000			\$100,000
FY 1990	250,000			250,000

State Funding Trend: No change  
Total Number of Staff, 1989: DK      1990: DK

## J. Economic development research

INTERNET - the Department of Economic Development administers this program which conducts long-range research quantifying product and geographical opportunities for state producers in the global marketplace. Research is conducted in concert with the private sector, higher education institutions, and existing export support resources.

	State	Federal	Other	Total
FY 1989	-			-
FY 1990	\$250,000			\$250,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: DK      1990: 2

K. Economic development liaison

Satellite Center Network - the Department of Economic Development administers a primary center located in Des Moines which is connected via satellite with 16 regional offices. The program includes a computerized database containing information on state products and is managed by a Regional Coordinating Council, a public/private partnership made up of leaders in government, education, and business.

	State	Federal	Other	Total
FY 1989	\$817,637			\$817,637
FY 1990	1,230,000			1,230,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: DK      1990: 6.5

L. Database development

Iowa Economic Development Network - the Department of Economic Development directs this program which aids Iowa businesses in their efforts to market products and services throughout Iowa. It encourages Iowa businesses to purchase from one another, and it also matches buyers and sellers through a computerized database which contains information about potential products and services available. Additionally, the IEDN furnishes export trade leads and limited export assistance.

	State	Federal	Other	Total
FY 1989	\$100,000			\$100,000
FY 1990	100,000			100,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 3      1990: 3

M. Business incubators

Business Incubator Center Program/Rural Technical Assistance Center - through the Department of Economic Development, the Incubator Grant Program offers three years of financial assistance to communities which develop their own incubator.

	State	Federal	Other	Total
FY 1989	\$272,642*			\$272,642
FY 1990	850,000			850,000

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 0      1990: 0

\*actual

Iowa State Innovation System - the program, administered by the **Department of Economic Development**, is an incubator for small business entrepreneurs involved in technical products, research, and development. The program links businesses to sources of initial financing, business planning, and marketing support.

	State	Federal	Other	Total
FY 1989	\$250,000		\$100,000	\$350,000
FY 1990	250,000		100,000	350,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 5      1990: 6

N. Film promotion

Film Office - the **Department of Economic Development** promotes the state as a film-making site for the film industry.

	State	Federal	Other	Total
FY 1989	\$114,830			\$114,830
FY 1990	156,158			156,158

State Funding Trend: **Increasing**

Total Number of Staff, 1989: DK      1990: 2

O. Other

1. Small business creation/development

Self Employment Investment Demonstration - the **Department of Economic Development** and the **Department of Human Resources** administer this test program which was initiated to determine whether entrepreneurial training, offered to welfare recipients, would encourage economic self-sufficiency. The program is comprised of several stages which intend to select, train, and assist individuals.

	State	Federal	Other	Total
FY 1989	\$108,069	\$108,068		\$216,137
FY 1990	115,761	115,761		231,522

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 1                      1990: 1

Small Business Programs - the Department of Economic Development provides business assistance, support, and information to new businesses through the business license center.

	State	Federal	Other	Total
FY 1989	\$209,817			\$209,817
FY 1990	203,283			203,283

State Funding Trend: **Increasing**

Total Number of Staff, 1989: DK                      1990: 3

## 2. Marketing and Technical Assistance

Procurement Center - the Department of Economic Development administers this federal/state partnership to assist small businesses in selling their products and services to the federal government. The program provides consultation and assistance on federal procedures, bidding requirements and criteria needed to apply for contract approval, bidding lists for small business clients, procurement seminars and technical assistance programs, and one-on-one technical assistance to clients concerning any aspect of the government procurement process.

	State	Federal	Other	Total
FY 1989	\$94,672	\$64,234		\$158,906
FY 1990	80,000	67,700		147,700

State Funding Trend: **Increasing**

Total Number of Staff, 1989: DK                      1990: 3.5

## Financial Capital

### A. Loan/bond financing

Community Economic Betterment Account - the Department of Economic Development handles this program which provides financial assistance, for the purpose of job creation, to new and expanding businesses. Communities and area schools are eligible to apply on behalf of local firms. The firms may receive a loan, forgivable loan, grant, equity substitution, or principal/interest buydown which can be used for land, buildings, machinery, equipment, or working capital.

	State	Federal	Other	Total
FY 1989	\$4,650,000			\$4,650,000
FY 1990	4,650,000*			4,650,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 4      1990: 4

\*approximate

Self-Employment Loan - the Department of Economic Development provides loans of up to \$500,000 to low income persons who want to start a business.

	State	Federal	Other	Total
FY 1989	\$246,132			\$246,132
FY 1990	224,430			224,430

State Funding Trend: **No change**

Total Number of Staff, 1989: DK      1990: 1

B. Risk financing/equity investments

Iowa Product Development Corporation - the Department of Economic Development and the Corporation co-administer a seed capital investment program supporting the development and commercialization of product and service innovations.

	State	Federal	Other	Total
FY 1989	\$1,250,000		\$25,000	\$1,275,000
FY 1990	1,350,000		45,000	1,395,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 3      1990: 3

C. Small business financing

Financing Rural Economic Development - the Department of Economic Development oversees this program which offers long-term loans for fixed assets to expanding small businesses in communities with population of 20,000 or less. Eligible firms include: light manufacturing and value-added which diversify rural economies into areas other than agriculture.

	State	Federal	Other	Total
FY 1989		\$90,000*		\$90,000
FY 1990		165,362*		165,362

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 0      1990: 0

\*approximate

Iowa Business Development Finance Corporation - the Corporation is a joint public/private venture which couples state funding with contributions from financial institutions. The Corporation serves as an additional form of the following types of capital: letters of credit or guarantees, equity financing, and loans which are serviced by financial institutions. Eligible recipients must be a new or expanding small business

	State	Federal	Other	Total
FY 1989	\$5,000,000		\$5,000,000*	\$10,000,000
FY 1990	2,650,000		DK	2,650,000

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 1      1990: 1

\*estimated private match

Small Business/Economic Loan Program - the Iowa Finance Authority administers this program which issues tax-exempt bonds to finance manufacturing facilities, residential rental projects, solid waste disposal facilities, and 501 (c) (3) non-profit projects. Taxable bonds may be issued for loans to businesses which do not meet all requirements for tax-exempt financing.

	State	Federal	Other	Total
FY 1989	*			
FY 1990	*			

State Funding Trend: **No change**

Total Number of Staff, 1989: .5      1990: .5

\*program is financially self-supporting

D. Export financing

Export Trade Assistance Program - the International Bureau of the Department of Economic Development administers this program to promote the development of international trade activities and opportunities for exporters. Increased participation in overseas trade shows and trade missions are encouraged through financial reimbursement to eligible firms.

	State	Federal	Other	Total
FY 1989	\$400,000			\$400,000
FY 1990	400,000			400,000

State Funding Trend: **No change**

Total Number of Staff, 1989: .5      1990: .5

E. Other

Human Capital

A. Productivity improvement/production assistance

Iowa Quality Coalition - the Department of Economic Development oversees this program which is dedicated to a continuous process of quality improvement through awareness, education, and implementation. Through several forums, such as the Executive Education Program, Governor's Quality Roundtables, Iowa Quality Forum, Iowa Quality Awards, Community Quality Committees, Iowa Quality Network, Statewide Capacity-Building, and Regional Implementation Teams, the Coalition promotes commitment to quality awareness.

	State	Federal	Other	Total
FY 1989	\$150,000			\$150,000
FY 1990	*			*

State Funding Trend: **Increasing**

Total Number of Staff, 1989: DK      1990: DK

\*not available

Productivity Enhancement - the Department of Economic Development provides merged area schools with equipment, instructor staff development, and materials so that assistance is more geographically and financially accessible to firms wishing to contract customized training from the schools. The objective is to increase the capacity of merged area schools to provide assistance to area businesses to help them to become more competitive in national and international markets. The schools assist in incorporating advanced processes and practices, including just-in-time techniques, automation, statistical process control, self-directed work teams, and flexible manufacturing methods.

	State	Federal	Other	Total
FY 1989	-			-
FY 1990	\$150,000			\$150,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: DK      1990: 0

B. Training assistance for new and expanding companies

Iowa Industrial New Jobs Training Program - the **Department of Economic Development** offers this program in conjunction with community colleges. Services may cover skill assessment, orientation, pre-employment training, and on-the-job company specific training. The program seeks to increase productivity while cutting unemployment and turnover. Additionally, it provides an incentive for economic growth by significantly lowering start-up costs and improving profitability.

	State	Federal	Other	Total
FY 1989		*		
FY 1990		*		

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 1.5      1990: 1.5

\*no appropriation - funded through the sale of certificate/bonds to be repaid through incremental property tax assignment and new job creation.

C. Training assistance for existing companies

Iowa Job Retraining Program - the **Department of Economic Development** handles this program which aids eligible businesses in the retraining of their currently employed workers. Objectives include: helping firms remain competitive, retain existing jobs, diversify the state's economy, create new market opportunities and manufacturing processes, and increase wages. A firm or group of firms may apply through a local community college which will submit an application to the Department. Assistance may be in the form of grants, loans, or forgivable loans and cover expenditures for basic academic skills and/or job specific skills. On-site and classroom instruction is covered, while on-the-job training is not.

	State	Federal	Other	Total
FY 1989	-			-
FY 1990	\$2,000,000			\$2,000,000

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 0      1990: 1

D. Business/education training partnership (e.g. equipment)



## E. Other

## 1. Labor and management relationships

Labor Management Cooperation Program Grants/Labor Management Councils - the Department of Economic Development devotes this program to overseeing the establishment of a comprehensive labor-management effort in the state and promoting area-wide, in-plant and industry-specific labor-management committees. Research which addresses state-wide initiatives or creates new models is also encouraged.

	State	Federal	Other	Total
FY 1989	\$250,000			\$250,000
FY 1990	200,000*			200,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 1                      1990: 1

\*estimate

## 2. Small business assistance

Iowa Small Business New Jobs Training Program - the Department of Economic Development makes low interest loans, up to \$50,000, to design specialized training programs for small businesses. Those firms which are eligible must not be able to receive support under the Industrial New Jobs Training Program and funds can be used for the following: skills assessment, orientation, pre-employment testing, instructional salaries, seminar fees, and on-the-job training. Community colleges submit applications on behalf of the firm.

	State	Federal	Other	Total
FY 1989	\$1,000,000			\$1,000,000
FY 1990	1,000,000			1,000,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 1                      1990: 1

## 3. Worker Assistance

Displaced Homemaker - the Department of Economic Development works in coordination with JTPA to target displaced homemakers who do not qualify for JTPA.

	State	Federal	Other	Total
FY 1989	\$535,615			\$535,615
FY 1990	500,000			500,000

State Funding Trend: Don't know

Total Number of Staff, 1989: DK      1990: .2

JTPA - the Department of Economic Development administers the funding provided by the state and federal governments.

	State	Federal	Other	Total
FY 1989	\$759,861	*		\$759,861
FY 1990	480,000	*		480,000

State Funding Trend: Don't know

Total Number of Staff, 1989: DK      1990: 27.5

\*federal JTPA funds of \$32,473,152 (FY 1989) and \$31,961,300 (FY 1990) were not included in the analysis

Conservation Corp/Youth Corp/Iowa Corp - the Department of Economic Development administers these three programs. The Conservation Corp employs disadvantaged youth in projects in areas of conservation, community improvement, and tourism. Services provided include work experience, career or environmental education, job/personal counseling, job search assistance, and counseling regarding post-secondary schooling. Iowa Youth Corp and Iowa Corp provide college credit tuition reimbursement for students who perform volunteer work during high school.

	State	Federal	Other	Total
FY 1989	\$1,189,421			\$1,189,421
FY 1990	1,204,625			1,204,625

State Funding Trend: Don't know

Total Number of Staff, 1989: DK      1990: DK

#### Infrastructure Development

##### A. General loans/grants to communities

Iowa Sewage Treatment Works Financing Program - the Iowa Finance Authority and Department of Natural Resources utilize this program to finance construction of wastewater treatment facilities. With the creation of a state revolving fund in 1987, the IFA is eligible to receive capitalization grants from the United States Environmental Protection Agency.

	State	Federal	Other	Total
FY 1989		\$15,550,000	\$15,550,000*	\$31,100,000
FY 1990	0	0	0	0

State Funding Trend: **No change**

Total Number of Staff, 1989: .33      1990: .33

\*funding from bond issuance. Programs that do not receive state appropriations are not included in our analysis.

Housing Assistance Fund - Iowa Finance Authority administers this fund which runs three programs: Rural Community 2000, Home Maintenance and Repair, and Excess Title Guarantee. Rural Community 2000 provides loans and grants to any city, county, or nonprofit development organization for improving infrastructure or establishing new infrastructure. Home Maintenance and Repair assists in helping elderly, handicapped or disabled people repair their homes. Excess Title Guarantee generates and uses funds for helping solve the homeless problem by securing and repairing single-family houses.

	State	Federal	Other	Total
FY 1989	\$2,895,000		\$820,000	\$3,715,000
FY 1990	1,395,000		800,000	2,195,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 1      1990: 2

- B. Site Development/business park loans/grants
- C. Other

#### Quality of Life

- A. Community arts programs

Arts Council - the Department of Cultural Affairs promotes the development of community arts programs through festivals, music, drama, cultural programs, or tourist attractions. Additionally, the Council provides artists-in-residence at schools.

	State	Federal	Other	Total
FY 1989	\$523,972	\$505,461		\$1,029,433
FY 1990	946,788	579,393		1,526,181

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 10      1990: 12

Community Cultural Grants - the Department of Cultural Affairs offers grants that promote the cultural heritages of different communities.

	State	Federal	Other	Total
FY 1989	\$650,000			\$650,000
FY 1990	650,000			650,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 0      1990: 0

Historical Resources - the Department of Cultural Affairs provides grants and loans for historical resource development which preserves, conserves, interprets, and enhances historical resources. Eligible county and city governments, nonprofit organizations, private corporations and businesses, and individuals may receive grants or loans.

	State	Federal	Other	Total
FY 1989	-			-
FY 1990	\$1,725,000*			\$1,725,000*

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 0      1990: 2

\*to be consistent across states, historical preservation was not included.

B. Public television/radio grants/support

Public Television - the Department of Cultural Affairs provides funding for public television programming.

	State	Federal	Other	Total
FY 1989	\$6,373,739	\$1,000,000*	\$2,000,000*	\$9,373,739
FY 1990	6,947,451	1,000,000*	2,000,000*	9,947,451

State Funding Trend: **No change**

Total Number of Staff, 1989: 103      1990: 103

\*approximate

C. Other

1. Artist support

Artists' Endowment - the Department of Cultural Affairs administers the endowment which provides fellowship grants that reward artistic excellence and creativity for professional artists of exceptional talent and demonstrated ability.

	State	Federal	Other	Total
FY 1989	\$70,000			\$70,000
FY 1990	100,000			100,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 0      1990: 0

Technology/Innovation

- A. Research/product assistance loans/grants
- B. Applied technology centers; R & D centers

Education and Agriculture Research and Development Account - the Department of Economic Development administered this program which provided grants to encourage research at public and private universities and colleges. The funds supported a patent library, university consortia (tech transfer and assist), incubators, research park operations, and research programs. In 1991, EARDA's activities will be assumed by the Wallace Technology Transfer Foundation and EARDA will no longer exist.

	State	Federal	Other	Total
FY 1989	\$7,400,000		**	\$7,400,000
FY 1990	5,811,000*			5,811,000

State Funding Trend: **Decreasing\***  
 Total Number of Staff, 1989: DK      1990: DK

\*this program is being replaced by the Wallace Foundation and \$350,000 of EARDA funding was allocated to the Foundation in 1990

\*\*funding match of at least one-to-one was required for in order to receive EARDA funds

Wallace Technology Transfer Foundation - the **Foundation**, a newly founded entity, supports academically based applied research in concert with industry and other commercial research co-sponsors. Estimated state appropriation for FY 1991 is \$2,777,829.

	State	Federal	Other	Total
FY 1989				
FY 1990	\$350,000			\$350,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989:      1990: 0

## C. Small business research loans/grants/assistance

Small Business Innovation Research - the Department of Economic Development assists businesses which are preparing applications for federal S.B.I.R. grants by providing funds to cover costs.

	State	Federal	Other	Total
FY 1989	\$100,000	DK		\$100,000
FY 1990	100,000	DK		100,000

State Funding Trend: **No change**

Total Number of Staff, 1989: .25 1990: .25

## D. University/business partnership

## E. Inventor/royalty grants

## F. Patent information and assistance

## G. Technology offices

## H. Value-added programs and assistance

## I. Technical/technology assistance; technology transfer; info/network

Center for Industrial Research and Service - the Iowa State University **Extension Service** operates the center, which provides managerial and technical support to manufacturing and processing firms.

	State	Federal	Other	Total
FY 1989	\$927,210	\$54,000		\$981,210
FY 1990	994,000	44,000		1,038,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 16 1990: 16

## J. Other

## 1. Technical training assistance

Equipment Purchases - the Department of Education provides funds for the purchase of merged area school equipment. Funds are allocated based upon the ability of the school to provide matching contributions, either in-kind or financial and the potential for job creation. The maximum grant to a school shall not exceed \$250,000.

	State	Federal	Other	Total
FY 1989	\$750,000		\$750,000*	\$1,500,000
FY 1990	750,000		750,000*	\$1,500,000

State Funding Trend: Increasing

Total Number of Staff, 1989: 0      1990: 0

\*funding reflects the required matching contributions

Distribution of Economic Development Funds  
Across Strategic Foundations

IOWA

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$11,601,871	\$15,880,743	24.8%	32.5%
Financial Capital	11,636,132	9,439,792	24.9	19.3
Human Capital	3,884,897	5,534,625	8.3	11.3
Infrastructure	2,895,000	1,395,000	6.2	2.8
Quality of Life	7,617,711	8,644,239	16.3	17.7
Technology/Innovation	9,177,210	8,005,000	19.6	16.4
<b>TOTAL</b>	<b>\$46,812,821</b>	<b>\$48,899,399</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$12,699,173	\$16,989,704	21.9%	30.8%
Financial Capital	16,661,132	9,484,792	28.7	17.2
Human Capital	3,884,897	5,534,625	6.7	10.0
Infrastructure	3,715,000	2,195,000	6.4	4.0
Quality of Life	11,123,172	12,223,632	19.2	25.3
Technology/Innovation	9,981,210	8,799,000	17.2	15.9
<b>TOTAL</b>	<b>\$58,064,584</b>	<b>\$55,226,753</b>	<b>100%</b>	<b>100%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.



**APPENDIX H**

**Minnesota**

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Business Environment

- A. Out of state industrial recruitment
- B. International promotion, recruitment, representation
- C. Business export

Minnesota Trade Office - the Department of Trade and Economic Development utilizes this office to assist small and medium-sized businesses, as well as those new to exporting, in overcoming exporting obstacles. The office also identifies and expands international export market opportunities for businesses' products and services, noting selected reverser investment opportunities. Educational, industry, geographic, and export finance specialists provide general export and market specific training programs and seminars, conduct trade missions, host foreign trade delegations, participate in domestic and foreign trade shows, and many other services. The Trade Office also operates eight international offices.

	State	Federal	Other	Total
FY 1989	\$1,956,581			\$1,956,581
FY 1990	2,206,853			2,206,853

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 35      1990: 32\*

World Trade Center - under the direction of a Board of Directors, the Center brings Minnesota businesses, especially medium and small businesses, contacts with foreign companies for exporting.

	State	Federal	Other	Total
FY 1989	\$1,600,000			\$1,600,000
FY 1990	1,350,000		45,000	1,395,000

State Funding Trend: Decreasing (becomes self-supporting)  
 Total Number of Staff, 1989: 10      1990: 20

## D. Small Business Development Centers

Minnesota Small Business Development Centers - operated by the Department of Trade and Economic Development, provide counseling, training, information, referral, technology transfer, and other assistance to small business owners and managers.

	State	Federal	Other	Total
FY 1989	\$125,000	\$1,150,000	\$1,256,913*	\$2,531,913
FY 1990	125,000	1,150,000	1,460,522*	2,735,522

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 3      1990: 3

\*funds are matched by sub-recipients, who may receive an appropriation from the state legislature

## E. Business retention and expansion

Business Promotion - the Department of Trade and Economic Development operates this program to help individuals start businesses, existing businesses expand, out-of-state businesses expand into the state, and help local public officials become more effective at economic development and community rehabilitation/enhancement activities.

	State	Federal	Other	Total
FY 1989	\$2,862,605	\$10,000		\$2,872,605
FY 1990	6,103,334	10,000		6,113,334

State Funding Trend: **Don't know**

Total Number of Staff, 1989: 35      1990: 37

## F. Community/urban development

Community Development - the Department of Trade and Economic Development utilizes this program to provide a unified, comprehensive approach to community development assistance aimed at improving the quality of life for community residents and to encourage more balanced economic growth throughout the state through economic diversification, stabilization and growth of rural communities, and revitalization of depressed neighborhoods in the state's largest cities.

	State	Federal	Other	Total
FY 1989	\$23,386,663	\$34,603,000		\$57,989,663
FY 1990	35,497,055	39,393,000		74,890,055

State Funding Trend: **Don't know**

Total Number of Staff, 1989: 56.5      1990: 53.5\*

- G. Rural development
- H. Tourism and image promotion

Office of Tourism - the Department of Trade and Economic Development handles this program, which markets the state's products and services that relate to travel, stimulates economic activity in the state by maintaining and increasing the gross sales of the state's travel businesses, and responds to community, business, and consumer needs as they relate to tourism, as well as national/international travel consumers and trade.

	State	Federal	Other	Total
FY 1989	\$7,352,548			\$7,352,548
FY 1990	8,923,111			8,923,111

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 48    1990: 53

- I. Major industry support

Marketing Division - the Minnesota Department of Agriculture assists agribusiness by discovering and improving markets for in-state agricultural products.

	State	Federal	Other	Total
FY 1989	\$760,000		\$123,000	\$883,000
FY 1990	955,000		100,000	1,055,000

State Funding Trend: No change  
 Total Number of Staff, 1989: 10    1990: 14

- J. Economic development research

Policy Analysis Office - the Department of Trade and Economic Development oversees this office, which promotes business location by producing information and analysis demonstrating to business the state's economic advantages, enhance the effectiveness of department projects and programs by providing economic and job impact analysis, and improves the quality of public policy decision making by analysis of key issues relating to the state's economy.

	State	Federal	Other	Total
FY 1989	\$1,037,937	\$8,000		\$1,045,937
FY 1990	921,000			921,000

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 17.7    1990: 15.2

## K. Economic development liaison

Enterprise Center - the Higher Education Coordination Board provides a coordinated technical assistance effort in a local or regional community by bringing together the various assistance providers under one organization. For example, a network of post-secondary expertise aids start-ups and failing businesses.

	State	Federal	Other	Total
FY 1989	\$230,348			\$230,348
FY 1990	*			

State Funding Trend: **NA**

Total Number of Staff, 1989: **DK** 1990: **DK**

\*programs are now self-sufficient

## L. Database development

## M. Business incubators

## N. Film promotion

## O. Other

## 1. Minority assistance

Women's Economic Development Corporation - the Office of Science and Technology operates the program, which is designed to assist women starting new businesses. The program offers general business assistance, career development, employment, and economic education for women.

	State	Federal	Other	Total
FY 1989	\$180,000	\$35,000	\$985,000*	\$1,200,000
FY 1990	200,000	300,000	1,300,000*	1,800,000

State Funding Trend: **No change**

Total Number of Staff, 1989: **21** 1990: **26**

\*funding source - private contributions

## 2. Business creation

Minnesota Cooperation Office - the Office of Science and Technology operates this non-profit organization. Its goal is to create jobs by starting new high-growth companies, offering general business and financing assistance.

	State	Federal	Other	Total
FY 1989			\$326,000*	\$326,000
FY 1990	\$100,000		357,000	457,000

State Funding Trend: **No change**

Total Number of Staff, 1989: 4      1990: 4

\*funding source - private contributions

Financial Capital

- A. Loan/bond financing
- B. Risk financing/equity investments

Seed Capital Program - the Greater Minnesota Corporation's Seed Capital Program is designed to increase the availability and accessibility of early-stage seed and venture capital to new, high-growth potential businesses, with particular emphasis on firms located in the state.

	State	Federal	Other	Total
FY 1989	-			
FY 1990	\$500,000		\$5,000,000	\$5,500,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 0      1990: 2

- C. Small business financing
- D. Export financing
- E. Other

Human Capital

- A. Productivity improvement/production assistance
- B. Training assistance for new and expanding companies

## C. Training assistance for existing companies

Job Skills Partnership - the Partnership is an agency which awards money to post-secondary institutions that deliver training programs to business and industry. Businesses must match funds or provide an in-kind contribution directly to the post-secondary institution.

	State	Federal	Other	Total
FY 1989	\$1,300,000			\$1,300,000
FY 1990	1,300,000			1,300,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 3      1990: 3

## D. Business/education training partnership (e.g. equipment)

## E. Other

## 1. Worker/employment assistance

Displaced Homemakers - the Department of Jobs and Training assists displaced homemakers in preparing for the labor market.

	State	Federal	Other	Total
FY 1989	\$1,148,021			\$1,148,021
FY 1990	1,355,019			1,355,019

State Funding Trend: **No change**

Total Number of Staff, 1989: 2      1990: 2

Minnesota Youth Program - the Department of Jobs and Training provides employment for those under 18 years of age, 60% of which must be disadvantaged youth.

	State	Federal	Other	Total
FY 1989	\$2,053,069			\$2,053,069
FY 1990	3,840,436			3,840,436

State Funding Trend: **No change**

Total Number of Staff, 1989: 1      1990: 1



Employment and Economic Development Wage Subsidy - the **Department of Jobs and Training** provides wage subsidies, as well as other services, to low income and public assistance recipients to assist them in gaining employment. The program ends in 1990.

	State	Federal	Other	Total
FY 1989	\$11,424,232			\$11,424,232
FY 1990	8,530,989			8,530,989

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 1.5    1990: 1.5

JTPA - administered by the **Department of Jobs and Training**. In 1990, a new state-supported program for dislocated workers was funded. In 1991, state unemployment trust funds (\$16 million) will be used to serve dislocated workers.

	State	Federal	Other	Total
FY 1989		*		
FY 1990	\$265,000	*		\$265,000

State Funding Trend: **Increasing (1991, \$16 million)**

Total Number of Staff, 1989: 23    1990: 23

\*Federal JTPA dollars of \$32,634,430 (FY 89) and \$29,325,773 (FY 90) are not included in our analysis.

AFDC Employment Initiatives (STRIDE) - administered by the **Department of Jobs and Training**, this program targets AFDC clients (Aid to Families with Dependent Children) to train job seeking skills and help them find jobs.

	State	Federal	Other	Total
FY 1989	\$1,565,126	\$1,294,216		\$2,859,342
FY 1990	2,434,203	0		2,434,203

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 5    1990: 5

Employment Programs - administered by the Department of Jobs and Training, these programs fund the Occupational Industrial Centers which are inner city vocational training centers serving minority unemployed youth.

	State	Federal	Other	Total
FY 1989	\$275,000			\$275,000
FY 1990	550,000			550,000

State Funding Trend: Don't Know

Total Number of Staff, 1989: DK 1990: DK

#### Quality of Life

##### A. Community arts program (facilities, resources)

State Arts Board - governed by a board of directors, this organization funds the following programs: grants - provide funds to medium to large art programs to operate their organizations; presenters' assistance - help art organizations set up tours within the state; arts in education - places artists in schools for week long residencies in schools for teaching purposes; artists assistance - grants to individual artists within the state; folk arts - apprenticeship program for folk arts; regional arts council - local art development in 11 regions; craft fairs; arts access - free admission to art programs for those who have limited access; NEA rural institution grants.

	State	Federal	Other	Total
FY 1989	\$3,184,346	\$516,611	\$772,247	\$4,473,204
FY 1990	4,198,085	604,286	1,024,128	5,826,499

State Funding Trend: No change

Total Number of Staff, 1989: 15 1990: 15

##### B. Public television/radio grants/support

Public Television Grants - the Department of Trade and Economic Development offers funding to public television in order to create in-state productions. Stations also rely on federal and private funding.

	State	Federal	Other	Total
FY 1989	\$1,695,208	DK	DK	\$1,695,208
FY 1990	2,068,600	DK	DK	2,068,600

State Funding Trend: Decreasing

Total Number of Staff, 1989: 0 1990: 0

Public Radio Grants - the Department of Trade and Economic Development offers funding to public radio. Stations also rely on federal and private funding.

	State	Federal	Other	Total
FY 1989	\$264,449	DK	DK	\$264,449
FY 1990	1,074,400	DK	DK	1,074,400

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 0      1990: 0

C. Other

Technology/Innovation

A. Research/product assistance loans/grants

Technology Research Grants - the grants are administered by the **Greater Minnesota Corporation** and are used to support applied research and development activities which lead to new products, processes, and services, with an emphasis on early commercialization. Proposals are accepted from businesses and post-secondary institutions that have arranged joint research projects with businesses. The grants are used to leverage private and public funds, requiring a match from other sources.

	State	Federal	Other	Total
FY 1989	\$1,700,000		\$2,500,000	\$4,200,000
FY 1990	3,000,000		3,000,000	6,000,000

State Funding Trend: **Don't know**

Total Number of Staff, 1989: .33      1990: 1

B. Applied technology centers; R & D centers

Advanced Integrated Manufacturing Center - the **Office of Science and Technology** administers this program which conducts applied research in advanced integrated manufacturing technology and provides small and medium-sized businesses with access to new technology, training, and technical assistance.

	State	Federal	Other	Total
FY 1989	\$500,000		\$500,000	\$1,000,000
FY 1990	4,900,000*			4,900,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 10      1990: 22

\*funding of \$3,500,000 from the Greater Minnesota Corporation and \$1,400,000 comes from the general fund.

Natural Resources Institute - the **Greater Minnesota Corporation** has ties with this **University of Minnesota** program which conducts research to expand the uses of the state's natural resources.

	State	Federal	Other	Total
FY 1989	\$3,731,037*	\$973,041	\$454,952	\$5,159,030
FY 1990	5,334,558**	1,120,990	576,080	7,031,628

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 100      1990: 130

\*funding of \$750,000 from the Greater Minnesota Corporation  
 \*\*funding of \$1,000,000 from the Greater Minnesota Corporation

Agricultural Utilization Research Institute - under the direction of the **Greater Minnesota Corporation**, the Institute focuses on research and development efforts which find new products and processes using present crops and livestock; develop alternative crop and livestock products for emerging markets; and promote sustainable, environmentally sound practices that reduce ag energy use while improving profitability. The Institute operates the following programs: a grants program, to provide funding for ag research; and education program, to alert farmers and agribusinesses to how technology can help them meet market opportunities; a partnership program, to bring together technology and technology experts with companies needing additional resources; and a technology transfer program, to identify new technologies worldwide that will improve the states's food and industrial processing capabilities.

	State	Federal	Other	Total
FY 1989	\$768,000	\$690,000		\$1,458,000
FY 1990	4,000,000	1,500,000*		5,500,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 6.5      1990: 9.5

\*estimate

C. Small business research loans/grants/assistance

Minnesota Project Innovation - the **Office of Science and Technology** administers this program in assisting businesses which apply for S.B.I.R. grants.

	State	Federal	Other	Total
FY 1989	\$120,000	\$75,000	\$45,000	\$240,000
FY 1990	120,000	75,000	40,000	235,000

State Funding Trend: **Decreasing**  
 Total Number of Staff, 1989: 4      1990: 5

- D. University/business partnership  
 E. Inventor/royalty grants  
 F. Patent information and assistance

Minnesota Inventor's Congress - this program, administered by the Office of Science and Technology, establishes a focal point and fiscal design for an invention support system, coordinates an invention support system through regional centers and existing groups dedicated to invention promotion, and promotes invention research.

	State	Federal	Other	Total
FY 1989	\$75,000		*	\$75,000
FY 1990	75,000		*	75,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 3      1990: 3

\*funding does not reflect private funding sources

- G. Technology offices

Office of Science and Technology - the Department of Trade and Economic Development administers this office, which strives to initiate policy level discussion and decisions on appropriate state science and technology policy issues; to coordinate the state's science and technology economic development programs; to be the primary source of information on the state's science and technology community; and to broaden the state's support for scientific and technological development through cooperative efforts in order to promote the efficient and effective use of the state's resources.

	State	Federal	Other	Total
FY 1989	\$400,000*			\$400,000
FY 1990	150,000*			150,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 6      1990: 3

\*funding covers staff and expenses

- H. Value-added programs and assistance

I. Technical/technology assistance; technology transfer;  
info/network

Minnesota Technology Corridor Corporation - the Office of Science and Technology provides the following services through this program: enhances the creation, development, and expansion of technology intensive businesses in the state by providing access to vital financial, policy, and scientific trend and technology innovation information. This is accomplished through divisional publications and referral to technical experts, and additional information is received through research on the advanced technology sector and its trends. Additionally, the Corporation catalogues all relevant information into a computerized database and offers assistance in setting guidelines for technology funding requests.

	State	Federal	Other	Total
FY 1989	\$60,000		\$120,000	\$180,000
FY 1990	60,000		120,000	180,000

State Funding Trend: **No change**  
Total Number of Staff, 1989: 1.5      1990: 1.5

Midwest Technology Development Institute - this program, administered by the Office of Science and Technology, enhances the efforts of the Midwestern states in technology development and transfer through university research consortia and expands the export markets of products produced.

	State	Federal	Other	Total
FY 1989	\$25,000		\$125,000	\$150,000
FY 1990	*			

State Funding Trend: **Decreasing**  
Total Number of Staff, 1989: 2      1990: 0

\*no longer funded

Minnesota Advanced Manufacturing Technology Centers - the Greater Minnesota Corporation and the University of Minnesota administer these centers, which bring the benefits of advanced manufacturing technology to manufacturers throughout the state. The Centers' mission, goals, and programs are to enhance the overall competitiveness of in-state manufacturers by integrating business, labor, education, and government, thus accelerating the use of advanced manufacturing technologies, systems, and management practices. Currently, four initiatives have been established: Minnesota Manufacturing Institute - resource center; Regional Manufacturing Center - establishing teaching factories; Manufacturing Assistance Program - conduct operations assessments and assistance; and Manufacturing Network Program - fostering production, marketing, and profitability cooperation among firms.

	State	Federal	Other	Total
FY 1989	\$2,000,000			\$2,000,000
FY 1990	2,000,000			2,000,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 3      1990: 18

Business Innovation Centers - the Centers, under the administration of the **Greater Minnesota Corporation**, serve entrepreneurs and small to medium-sized businesses. The Centers are the linkage in the technology transfer process: the place for businesses to obtain current information on technological innovations, and to access comprehensive databases. Each center develops technology services which best fit the needs of its region.

	State	Federal	Other	Total
FY 1989	2,000,000*		200,000	2,200,000
FY 1990	3,500,000		350,000	3,850,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 4      1990: 16

\* all budget information based upon estimates.

J. Other

Greater Minnesota Corporation - the Corporation operates a comprehensive and integrated five point program which consists of: Business Innovation Centers, with affiliated Technology Field Offices; Applied Research Institutes; Technology Research Grants; Minnesota Advanced Manufacturing Technology Centers; and a Seed Capital Program.

	State	Federal	Other	Total
FY 1989	\$1,500,000*			\$1,500,000
FY 1990	1,500,000*			1,500,000

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 8      1990: 8

\* program administration and administration budget

Distribution of Economic Development Funds  
Across Strategic Foundations

MINNESOTA

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$39,491,682	\$ 56,381,353	52.5%	52.6%
Financial Capital	0	500,000	0.0	0.5
Human Capital	17,765,448	18,275,647	23.6	17.1
Infrastructure	0	0	0.0	0.0
Quality of Life	5,144,003	7,341,085	6.8	6.9
Technology/Innovation	12,879,037	24,639,558	17.1	23.0
<b>TOTAL</b>	<b>\$75,280,170</b>	<b>\$107,137,643</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$77,988,595	\$100,496,875	63.9%	61.0%
Financial Capital	0	5,500,000	0.0	3.3
Human Capital	19,059,664	18,275,647	15.6	11.1
Infrastructure	0	0	0.0	0.0
Quality of Life	6,432,861	8,969,499	5.3	5.4
Technology/Innovation	18,562,030	31,421,628	15.2	19.1
<b>TOTAL</b>	<b>\$122,043,150</b>	<b>\$164,663,649</b>	<b>100%</b>	<b>100%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.



**APPENDIX I**

**Missouri**

Business Environment

A. Out-of-state industrial recruitment

Research and Support Group - the **Department of Economic Development** oversees this group which offers the following: Research and Planning Program, Finance Program, Tax Benefit Program, and Public Affairs and Information Services. The Research and Planning Program researches and stores information regarding information and issues used to recruit outside businesses. The Finance Program offers financial assistance through industrial development bonds, direct loans, loan guarantees, and some seed/venture capital. Tax benefits are offered through the program to new and expanding businesses which invest in new facilities, create jobs, and contribute to community improvement projects. The Public Affairs and Information Services utilizes marketing and public relations efforts to attract businesses to the state.

	State	Federal	Other	Total
FY 1989	\$584,948			\$584,948
FY 1990	487,783			487,783

State Funding Trend **Don't know**  
 Total Number of Staff, 1989: 20 1990: 16

B. International promotion, recruitment, representation

National Business Development Group - the **Department of Economic Development** uses this program in two ways: to attract foreign job-creating investment in the state and create new overseas markets for in-state produced goods and services. Missouri has state offices in West Germany, Tokyo, and Seoul and participates in investment seminars, trade shows, and direct call programs overseas. Custom presentations to financially attractive businesses, in addition to coordinated travel efforts, round out the recruitment portion. Sales leads, in creating markets, are received from foreign companies, governments, and other buyers and are edited and sent to subscribers.

	State	Federal	Other	Total
FY 1989	\$1,536,491			\$1,536,491
FY 1990	1,768,601			1,768,601

State Funding Trend **Don't know**  
 Total Number of Staff, 1989: 18 1990: 18

C. Business export

D. Small Business Development Centers

E. Business retention and expansion

Small/Existing Business Group - the Department of Economic Development uses this program to assist in the retention and expansion of existing businesses through a comprehensive array of services to small/existing services from a single resource. Small Business Offices - provides a variety of services to small businesses. Missouri Business Assistance Center - serves as a link between the small business owner and state, specializing in researching the rules/regulations surrounding permits and licenses. Procurement Program - works to locate opportunities for businesses to become suppliers of goods and services to state and federal governments, as well as large contractors. Small Business Incubator Program - low-cost direct loans to create incubators. Office of Minority Business - created in order to assist minority business owners obtain managerial, technical, and financial assistance.

	State	Federal	Other	Total
FY 1989	\$3,615,458			\$3,615,458
FY 1990	3,975,684	\$204,000		\$4,179,684

State Funding Trend Don't know  
 Total Number of Staff, 1989: 21 1990: 28

F. Community/urban development

Community Programs Group - the Department of Economic Development offers community assistance through several programs: Missouri Community Betterment Group - offers technical assistance in assessing needs and goal setting, as well as recognizing communities for their achievements; Community Development Block Grant - affects cities with population greater than 20,000 but less than 50,000 and provides grants for public facilities improvements and housing rehabilitation; Neighborhood Assistance Program -state tax credits issued for eligible community improvement projects; and the Missouri Film Commission - markets communities as sites for on-location filming of movies, television, and commercial productions while assisting film companies in securing permits, talent, crew, equipment, and facilities.

	State	Federal	Other	Total
FY 1989	\$437,803	\$22,753,755		\$23,191,558
FY 1990	710,286	22,835,865		23,546,151

State Funding Trend Don't know  
 Total Number of Staff, 1989: 33.5 1990: 37

G. Rural development

H. Tourism and image promotion

Division of Tourism - the Division promotes the growth of the state travel industry by attracting out-of-state tourists and encouraging in-state people to travel within the state. The Division publishes state brochures highlighting the state, and representatives are sent to boat,

sport, and travel shows. Additionally, speakers are sent to many community organizations, media advertising promotes vacation opportunities, six tourist information centers assist travelers, and the Division works with travel groups, communities, and regional promotion groups.

	State	Federal	Other	Total
FY 1989	\$5,745,998			\$5,745,998
FY 1990	6,115,152			6,115,152

State Funding Trend **Don't know**

Total Number of Staff, 1989: 36 1990: 36

- I. Major industry support
- K. Economic development research
- L. Economic development liaison
- M. Database development
- N. Business incubators

Innovation Centers - the Department of Economic Development overseas four centers which are designed to create environments of support for innovators and entrepreneurs who are bringing new products/processes to market. The centers provide low cost space, shared administrative/ clerical resources, and technical and financial assistance.

	State	Federal	Other	Total
FY 1989	\$1,525,000			\$1,525,000
FY 1990	1,400,000			1,400,000

State Funding Trend **Decreasing**

Total Number of Staff, 1989: 2 1990: 2

- N. Film promotion
- O. Other

Financial Capital

- A. Loan/bond financing

Business Financing - the Department of Economic Development offers a range of financing alternatives, including: loan guarantees - designed for "middle risk" projects with good growth potential, but cannot obtain private credit financing (maximum of \$800,000/90% of loan); direct loans -for faster growing companies with cash flow difficulties in early years (maximum of 30%/\$400,000 or \$10,000 per job); linked deposits - provide one year, 3% interest rate reduction on a private loan (maximum \$18,000 per job); and industrial revenue bonds - long-term, low rate financing

of fixed assets (current level \$200M).

	State	Federal	Other	Total
FY 1989	*			
FY 1990	*			

State Funding Trend Don't know  
 Total Number of Staff, 1989: DK      1990: DK

\*funding source - except for I.R.B.s, programs have no overall limit

B. Risk financing/equity investments

Seed Capital Fund - administered by the Department of Economic Development, this program offers investors a 30% tax credit on an investment to a qualified seed capital fund established by one of five organizations in the state.

	State	Federal	Other	Total
FY 1989	*			
FY 1990	*			

State Funding Trend Don't know  
 Total Number of Staff, 1989: 1      1990: 1

\*the state has set aside \$10M prior to 1989 and this amount has not been depleted

C. Small business financing

D. Export financing

E. Other

1. Tax credits

New and Expanding Business Facility - the Department of Economic Development offers this tax credit to new or expanding manufacturers, warehouse operators, wholesale distributors, mining operators, and office tenants which meet eligibility criteria. New businesses earn credits of \$75 for each new job created and \$75 for each \$100,00 of new investment created. Same credits apply to expanding businesses but in increments of \$100.

Human Capital

- A. Productivity improvement/production assistance
- B. Training assistance for new and expanding companies

Job Development and Training - the Division of Job Development and Training, of the Department of Economic Development, oversees and administers job training programs in the state. Focusing on economically disadvantaged unemployed people, these programs train or retrain people affected by plant closings and farm foreclosures. Workers are prepared for employment with new or expanding firms through customized training activities. Specific projects include: Create Your Own Job - training to help an individual become self-employed and a business; and Reach - special training for farmers.

	State	Federal	Other	Total
FY 1989	\$6,574,592	*		\$6,574,592
FY 1990	5,610,230	*		5,610,230

State Funding Trend Don't know  
 Total Number of Staff, 1989: 52      1990: 53

\*Federal JTPA funding of \$70,586,163 (FY 89) and \$70,659,251 (FY 90) were not included in our analysis.

- C. Training assistance for existing companies
- D. Business/education training partnership (e.g. equipment)

Infrastructure Development

- A. General loans/grants to communities

CDBG Section - the Department of Economic Development administers this section. Its programs include: Industrial Infrastructure Grant Program - infrastructure for new/expanding companies; Local Government Capital Fund Program - bond proceeds loaned to local subdivisions for community infrastructure projects; and Action Fund - provides funding for the creation of additional public utilities and roads for new/expanding businesses. Furthermore, CDBG funds are used to address health and safety problems in public facilities and infrastructure.

	State	Federal	Other	Total
FY 1989	\$5,000,000	\$23,000,000		\$28,000,000
FY 1990	5,000,000	23,000,000		28,000,000

State Funding Trend: Don't Know  
 Total Number of Staff, 1989: 12      1990: 12

- B. Site development/business parks loans/grants

Quality of Life

A. Community arts program (facilities, resources)

Arts Council - the **Missouri Arts Council** addresses the arts needs of small cities and towns by increasing their access to high quality artistic events, participation in the arts, and art education. Four programs include: Community Arts Program - provides funding and technical assistance to non-metropolitan community arts councils and other local arts coordinating agencies; Touring Program - subsidized touring programs are offered to communities with and without local arts agencies; Program Assistance Funds - benefits the outstate arts organizations, local government agencies, and colleges/universities which provide arts opportunities in their communities.

	State	Federal	Other	Total
FY 1989	\$4,913,477	\$519,871		\$5,433,348
FY 1990	5,007,519	527,852		5,535,371

State Funding Trend **Don't know**  
 Total Number of Staff, 1989: 15      1990: 15

B. Public television/radio grants/support

C. Other

Technology/Innovation

A. Research/product assistance loans/grants

B. Applied technology centers; R & D centers

Centers for Advanced Technology - the **Department of Economic Development** designated three centers, located at Missouri universities. The centers work with industry to undertake cooperative research and development programs which could have a significant technological impact on economic growth. The centers conduct basic and applied research, product and process development, and commercial technology transfer.

	State	Federal	Other	Total
FY 1989	\$1,250,000	\$1,572,000	\$3,332,778	\$6,154,778
FY 1990	1,750,000	1,572,444	4,202,778	7,525,222

State Funding Trend **No change**  
 Total Number of Staff, 1989: 2      1990: 2

C. Small business research loans/grants/assistance

Small Business Innovation Research - the **Missouri Corporation for Science and Technology, Department of Economic Development, and Small**

**Business Development Centers** have combined their resources to establish a Small Business Innovation Research/High Tech SBDC to promote the SBIR program and other federal/state programs available to small science and technology oriented businesses. Participating federal agencies must set aside part of their budgets for small businesses, and the purpose of the SBIR program is to stimulate technological innovation, encourage greater small business participation in federal research and development, and attract private capital to commercialize the results of federally-funded research.

	State	Federal	Other	Total
FY 1989	\$65,000	\$1,665,000		\$1,730,000
FY 1990	54,000	3,554,000		3,608,000

State Funding Trend **Increasing**  
 Total Number of Staff, 1989: 2      1990: 2

Missouri Research Assistance Fund - the University of Missouri administers this program.

	State	Federal	Other	Total
FY 1989	\$660,000		\$660,000	\$1,320,000
FY 1990	776,000		776,000	1,552,000

State Funding Trend **Don't know**  
 Total Number of Staff, 1989: DK      1990: DK

D. University/business partnership

Higher Education Applied Projects Fund - the fund is administered by the Department of Economic Development under the direction of the Missouri Corporation for Science and Technology. It is available to all public and private higher education institutions which are not in the University of Missouri system. The Fund is dedicated to the support of approved applied research projects undertaken by eligible institutions on behalf of private sector firms. Project funds are awarded on a competitive basis and must enhance employment opportunities. Additionally, small and large businesses must match one-third and one-half of project costs, respectively.

	State	Federal	Other	Total
FY 1989	\$269,096		\$334,904	\$604,060
FY 1990				

State Funding Trend **Don't know**  
 Total Number of Staff, 1989: 1      1990: 1



University Research Parks - the University of Missouri created two university-affiliated research parks in St. Louis and Kansas City. Tenants of the parks will have access to university facilities, educational resources, professional staff, and conference facilities. Private developers will manage and develop the parks and work to attract tenants which build upon academic strengths of each university.

	State	Federal	Other	Total
FY 1989	0	0	0	0
FY 1990	0	0	0	0

State Funding Trend Don't know  
 Total Number of Staff, 1989: DK 1990: DK

- E. Inventor/royalty grants
- F. Patent information and assistance
- G. Technology offices
- H. Value-added programs and assistance
- I. Technical/technology assistance; technology transfer; info/network
- J. Other

Distribution of Economic Development Funds  
Across Strategic Foundations

MISSOURI

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$13,445,698	\$14,457,506	41.8%	44.3%
Financial Capital	0	0	0.0	0.0
Human Capital	6,574,592	5,610,230	20.4	17.2
Infrastructure	5,000,000	5,000,000	15.5	15.3
Quality of Life	4,913,477	5,007,519	15.3	15.3
Technology/Innovation	2,244,096	2,580,000	6.9	7.9
<b>TOTAL</b>	<b>\$32,177,863</b>	<b>\$32,655,255</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$36,199,453	\$37,497,371	42.1%	42.0%
Financial Capital	0	0	0.0	0.0
Human Capital	6,574,592	5,610,230	7.6	6.3
Infrastructure	28,000,000	28,000,000	32.6	31.3
Quality of Life	5,433,348	5,535,371	6.3	6.2
Technology/Innovation	9,808,778	12,685,222	11.4	14.2
<b>TOTAL</b>	<b>\$86,016,171</b>	<b>\$89,328,194</b>	<b>100%</b>	<b>100%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

**APPENDIX J**

**Nebraska**

Business Environment

## A. Out of state industrial recruitment

Business Recruitment - the **Department of Economic Development** oversees this program which utilizes image marketing, targeted marketing, and community/industry liaisons to encourage the recruitment and expansion of industry.

	State	Federal	Other	Total
FY 1989	\$762,000			\$762,000
FY 1990	822,000			822,000

State Funding Trend: **Don't know**

Total Number of Staff, 1989: 8      1990: 9

## B. International promotion, recruitment, representation

## C. Business export

Export Assistance - the **Department of Economic Development** oversees this program which offers several tools in aiding businesses: statewide awareness, individual advising and technical assistance, foreign trade leads, workshops/seminars, legislative networking, overseas export promotion, hosting/briefing foreign visitors, and buying missions.

	State	Federal	Other	Total
FY 1989	\$90,000			\$90,000
FY 1990	100,000			100,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 1      1990: 1

## D. Small Business Development Centers

Nebraska Business Development Center - the NBDC is a cooperative program of the Small Business Administration and the **University of Nebraska at Omaha**. Small businesses can receive management and technical consulting services from the NBDC. Additionally, the NBDC offers continuing education programs, special projects, and research on topics which affect small businesses. Seven areas of special emphasis include: technology transfer, market research, financial recovery, venture development, strategic planning, microcomputer training, and rural development.

	State	Federal	Other	Total
FY 1989	\$343,319	\$442,000	\$46,000	\$831,319
FY 1990	368,315	442,000	98,000	908,315

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 12      1990: 13.5

- E. Business retention and expansion
- F. Community/urban development
- G. Rural development

University of Nebraska Cooperative Extension Rural Revitalization - this program focuses on ending the decline of rural communities, offering assistance in maintaining economic strength and job creation through community needs assessment and planning.

	State	Federal	Other	Total
FY 1989	\$136,000	\$154,000	\$30,000*	\$320,000
FY 1990	157,800	132,800	60,000*	350,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 6      1990: 10

\*county portion of staff salaries

Community and Rural Development - the **Department of Economic Development**, through community recognition and certification, provides assistance and encouragement to communities which organize local economic development programs.

	State	Federal	Other	Total
FY 1989	\$160,000			\$160,000
FY 1990	200,000			200,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 3      1990: 3

- H. Tourism and image promotion

Travel and Tourism Promotion - under the direction of the **Department of Economic Development**, this program seeks to increase the expenditures of tourists and other travelers in the state.

	State	Federal	Other	Total
FY 1989	\$1,260,000			\$1,260,000
FY 1990	1,300,000			1,300,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 11      1990: 11

- I. Major industry support

## J. Economic development research

Economic Development Research - the Department of Economic Development provides information and analysis needed to establish, deliver, and evaluate economic development programs.

	State	Federal	Other	Total
FY 1989	\$375,000			\$375,000
FY 1990	397,000			397,000

State Funding Trend: **No change**  
Total Number of Staff, 1989: 8      1990: 8

## K. Economic development liaison

One-Stop Business Assistance - under this program, the Department of Economic Development provides clearinghouse assistance services to Nebraska businesses.

	State	Federal	Other	Total
FY 1989	\$50,000			\$50,000
FY 1990	60,000			60,000

State Funding Trend: **No change**  
Total Number of Staff, 1989: 1      1990: 1

## L. Database development

## M. Business incubators

## N. Film promotion

Film Promotion - through the Department of Economic Development, the mission of this program is to encourage film and television productions in the state.

	State	Federal	Other	Total
FY 1989	\$75,000			\$75,000
FY 1990	93,000			93,000

State Funding Trend: **No change**  
Total Number of Staff, 1989: 2      1990: 2

## O. Other

## 1. Marketing and technical assistance

Procurement Assistance Program - the Department of Economic Development offers this program to assist Nebraska businesses in reaching the federal government as a potential purchaser of goods and services.

	State	Federal	Other	Total
FY 1989	\$50,000	\$50,000		\$100,000
FY 1990	55,000	50,000		105,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 2.5      1990: 2.5

Financial Capital

A. Loan/bond financing

Financial Packaging & Economic Development Finance - the **Department of Economic Development**, through this program, furnishes low-interest loans, loan guarantees, and training grants using Community Development Block Grant funds. Additionally, loan packaging and technical assistance is offered in order to encourage the start-up, attraction, and expansion of businesses which will strengthen and extend the state's economic base.

	State	Federal	Other	Total
FY 1989	\$110,000	\$5,100,000		\$5,210,000
FY 1990	118,000	4,900,000		5,018,000

State Funding Trend: **Don't Know**  
 Total Number of Staff, 1989: 5      1990: 5

B. Risk financing/equity investments

C. Small business financing

D. Export financing

E. Other

1. Technical/innovation loans/bonds/investments

Nebraska Research and Development Authority - the **Authority** is an independent corporation which was created by the legislature to encourage innovation to create and maintain employment, resulting in economic growth and diversification. The Authority funds applied research, development, incubation, and commercialization of projects which significant potential. Additionally, private investment is utilized to leverage the Authority's participation in a project.

	State	Federal	Other	Total
FY 1989	\$2,000,000*			\$2,000,000
FY 1990	2,000,000*			2,000,000

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 10      1990: 13

\*pass through from the Department of Economic Development

Human Capital

- A. Productivity improvement/production assistance
- B. Training assistance for new and expanding companies

Skill Training Employment Program - the Nebraska Department of Economic Development, in conjunction with the Department of Labor and Department of Education, offers customized recruitment and training resources to all businesses and industries in the state. Services provided include: labor force recruitment, screening and assessment programs, customized training in specific skill areas for new employees, and skill development training for existing employees. The STEP program helps new, expanding, and existing companies.

	State	Federal	Other	Total
FY 1989	\$250,000			\$250,000
FY 1990	1,323,000			1,323,000

State Funding Trend: Decreasing  
 Total Number of Staff, 1989: 1\*      1990: 1\*

\*Department of Labor employee

- C. Training assistance for existing companies
- D. Business/education training partnership (e.g. equipment)

Infrastructure Development

- A. General loans/grants to communities
- B. Site development/business park loans/grants

Technology/Innovation

- A. Research/product assistance loans/grants
- B. Applied technology centers; R & D centers

Industrial Agricultural Products Center - under the University of Nebraska, this program, through basic and applied research, broadens applications of agricultural commodities, identifies products which have the greatest potential for success, solves technical production and conversion problems, and provides marketing/business assistance.



	State	Federal	Other	Total
FY 1989	\$20,000	\$72,000	\$86,000	\$178,000
FY 1990	60,000	220,000	123,000	403,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 2.25 1990: 2.75

Nebraska Research Initiative - the **University of Nebraska System** established multidisciplinary center of research excellence in Biotechnology, Technology Management and Research Science, Engineering and Computer Research, Materials Research and Analysis, and Water Science. The centers have created a collaborative faculty research effort, updated laboratories to the state-of-the-art, and retained/recruited nationally recognized faculty.

	State	Federal	Other	Total
FY 1989	\$8,000,000			\$8,000,000
FY 1990	12,000,000			12,000,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 30 1990: 35

- C. Small business research loans/grants/assistance
- D. University/business partnership
- E. Inventor/royalty grants
- F. Patent information and assistance
- G. Technology offices
- H. Value-added programs and assistance

Food Processing Center - this program, administered by the **University of Nebraska**, provides specific assistance (technological, marketing, business development) to the state's food industry. Specific programs are oriented toward start-up companies and individuals with product concept ideas. Another program is directed toward commercial marketers of alternative crops (popcorn, fruits, vegetables, fish). For established and new companies, training programs and trouble-shooting assistance are provided.

	State	Federal	Other	Total
FY 1989	\$145,000	\$10,000	\$4,000	\$159,000
FY 1990	210,000	40,000	12,000	262,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 4 1990: 6

I. Technical/technology assistance; technology transfer; info/network

Technical Assistance Center - the program, through the Department of Economic Development and the University of Nebraska - Lincoln, works to improve productivity in the state by offering short-term technical assistance, technical information, manufacturing and production technical assistance, and basic patent and trademark information.

	State	Federal	Other	Total
FY 1989	\$235,000	\$100,000	0	\$335,000
FY 1990	240,000	100,000	0	340,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 6      1990: 6

J. Other

Distribution of Economic Development Funds  
Across Strategic Foundations

NEBRASKA

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$ 3,301,319	\$ 3,553,115	23.5%	18.2%
Financial Capital	2,110,000	2,118,000	14.9	10.9
Human Capital	250,000	1,323,000	1.8	6.8
Infrastructure	0	0	0.0	0.0
Quality of Life	0	0	0.0	0.0
Technology/Innovation	8,400,000	12,510,000	59.7	64.1
<b>TOTAL</b>	<b>\$14,061,319</b>	<b>\$19,504,115</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$ 4,023,319	\$ 4,335,915	20.0%	16.9%
Financial Capital	7,210,000	7,018,000	32.86	27.3
Human Capital	250,000	1,323,000	1.2	5.2
Infrastructure	0	0	0.0	0.0
Quality of Life	0	0	0.0	0.0
Technology/Innovation	8,672,000	13,005,000	43.0	50.6
<b>TOTAL</b>	<b>\$20,155,319</b>	<b>\$25,681,915</b>	<b>100%</b>	<b>100%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

**APPENDIX K**

**Oklahoma**



	State	Federal	Other	Total
FY 1989	\$560,031			\$560,031
FY 1990	560,031			560,031

State Funding Trend Don't know  
 Total Number of Staff, 1989: 0                      1990: 0

E. Business retention and expansion

Business Development Division - the Division, part of the Department of Commerce, serves as the lead division in the area of in-state business retention. Division personnel oversee a coordinated effort among the Department, regional associations, and Chambers of Commerce. Effort includes: one-on-one contact with local companies, via Department Area Development Directors.

	State	Federal	Other	Total
FY 1989	\$3,215,716			\$3,215,716
FY 1990	2,696,206			2,696,206

State Funding Trend Don't know  
 Total Number of Staff, 1989: 1                      1990: 1

F. Community/urban development

Main Street Program - the Department of Commerce oversees the program which offers small communities a comprehensive strategy for downtown revitalization through for components: organization, promotion, design and economic restructuring. Design includes building preservation, as well as encouragement of new buildings which complement existing architecture.

	State	Federal	Other	Total
FY 1989	\$201,000			\$201,000
FY 1990	201,000			201,000

State Funding Trend Increasing  
 Total Number of Staff, 1989: 4                      1990: 4

Community Development Block Grants - the Community Affairs and Development Division of the Department of Commerce administers the CDBG program. The program's mission is to develop viable urban communities and expand economic opportunities. Two sections of the program are: CDBG Economic Development Financing to provide gap financing, leveraged by other sources, for businesses; and CDBG Infrastructure Financing to create viable communities.

	State	Federal	Other	Total
FY 1989	\$380,260	\$14,013,000		\$14,395,260
FY 1990	369,050	13,452,480		13,821,530*

State Funding Trend Decreasing  
Total Number of Staff, 1989: 47      1990: 47

\*tentative

Certified Cities - the program, part of the Community Affairs and Development Division of the Department of Commerce, provides for self-assessment of community strengths and weaknesses, in conjunction with the community goals. The program is similar to those in other states and focuses on community readiness as a key factor in Oklahoma's economic growth.

	State	Federal	Other	Total
FY 1989	\$50,000			\$50,000
FY 1990	80,000			80,000*

State Funding Trend No change  
Total Number of Staff, 1989: .5      1990: .5

\*tentative

Community Action Agencies - under the direction of the Community Affairs Division of the Department of Commerce, this program augments community and individual efforts. State funds work in conjunction with federal to stimulate advocacy, job development, and community/economic development initiatives.

	State	Federal	Other	Total
FY 1989	\$777,855			\$777,855
FY 1990	777,855			777,855

State Funding Trend No change  
Total Number of Staff, 1989: .5      1990: .5

G. Rural development

Circuit Rider Municipal Management Assistance Program - the Community Affairs and Development Division of the Department of Commerce assists small communities in better managing local government. Three to six communities in an area match state funds to provide a qualified city manager to aid in improving the quality of local government services.

	State	Federal	Other	Total
FY 1989	\$80,569			\$80,569
FY 1990	83,600			83,600

State Funding Trend **No change**

Total Number of Staff, 1989: 1                      1990: 1

## H. Tourism and image promotion

Media and Marketing Division - under the Department of Commerce, this Division promotes Oklahoma's businesses, products/services, and business location through national and international advertising and public relations. The Division also guides the Oklahoma Ambassadors Program which involves Oklahomans who help improve the image of the state by giving first hand information about the state; acquire information concerning industrial prospects; serve as a network for expansion of state industry; assist in recruiting for state schools, colleges, and universities; and serve as hosts for state officials and groups.

	State	Federal	Other	Total
FY 1989	\$1,088,623			\$1,088,623
FY 1990	1,088,623			1,088,623

State Funding Trend **Don't know**

Total Number of Staff, 1989: 9                      1990: 9

Marketing Program - the Department of Tourism and Recreation's marketing program includes individual advertising and promotional programs which promote Oklahoma as a prime area for business and pleasure.

	State	Federal	Other	Total
FY 1989	\$6,656,271			\$6,656,271
FY 1990	6,322,956			6,322,956

State Funding Trend **Increasing**

Total Number of Staff, 1989: 66                      1990: 66

## I. Major industry support

## K. Economic development research

Research and Planning Division - the Department of Commerce provides research on economic and demographic trends and publishes reports on the state's economy, demographics, and trends. Two annual studies include: Economic Report to the Governor and Demographic State of the State.



	State	Federal	Other	Total
FY 1989	\$210,000			\$210,000
FY 1990	210,000			210,000

State Funding Trend **Don't know**

Total Number of Staff, 1989: 3.5      1990: 3.5

Office of Strategic Planning - under the **Department of Commerce's** Research and Planning Division, this office assists Oklahoma Futures, the state's 23 member public/private sector board. Research duties fulfill the board's statutory responsibilities and include: annual updates to the Five-Year Plan for Economic Development and the Annual Report. Additionally, the office prepares the DOC Annual Report and Business Plan, as well as short/long-term research projects.

	State	Federal	Other	Total
FY 1989	\$110,000			\$110,000
FY 1990	110,000			110,000

State Funding Trend **Don't know**

Total Number of Staff, 1989: 3      1990: 3

Oklahoma State Data Center - under the supervision of the **Department of Commerce**, the Center is the state's official contact with the U.S. Bureau of the Census.

	State	Federal	Other	Total
FY 1989	\$189,000			\$189,000
FY 1990	195,000			195,000

State Funding Trend **Don't know**

Total Number of Staff, 1989: 4      1990: 4

L. Economic development liaison

Community Affairs and Development Division - the Division, handled by the **Department of Commerce**, coordinates economic development activities among the 11 Substate Planning Districts with communities.

	State	Federal	Other	Total
FY 1989	\$474,004			\$474,004
FY 1990	474,004			474,004

State Funding Trend **No change**

Total Number of Staff, 1989: 1      1990: 1

## M. Database development

Research and Marketing Division - the Department of Commerce utilizes this division to prepare, update/maintain, and analyze several databases. They include: ORIGINS - a computer-based network created to include a variety of databases concerning community profiles, tax information, county business patterns, personal income, and export information to help industrial decision makers; POINT - an automated, targeted industry model; Industrial Site and Building; Real Estate Information System; and the Office of Federal Assistance Management database.

	State	Federal	Other	Total
FY 1989	\$170,000			\$170,000
FY 1990	150,000			150,000

State Funding Trend Don't know  
Total Number of Staff, 1989: 5      1990: 5

## N. Business incubators

Small Business Incubators Incentive Act - the Department of Commerce and the Business Development Division promotes and provides organizational support to stimulate the creation of successful business incubators. The Division reviews all business incubator sponsor applications and determines eligibility. Eligible facilities must support tenants' business activities and provide a full range of support services. Income tax exemptions are also available.

	State	Federal	Other	Total
FY 1989	\$50,000			\$50,000
FY 1990	50,000			50,000

State Funding Trend Don't know  
Total Number of Staff, 1989: 1.5      1990: 1.5

## N. Film promotion

Film Office - the Film Office, under the direction of the Department of Commerce, has two responsibilities: (1) attract and assist out-of-state production companies and (2) support and develop in-state film and video firms.

	State	Federal	Other	Total
FY 1989	\$150,331			\$150,331
FY 1990	117,966			117,966

State Funding Trend Don't know  
Total Number of Staff, 1989: 2      1990: 2

0. Other

1. Marketing and technical assistance

Bid Assurance Network - the Department of Commerce has contracted with the Vo-tech Department to establish this network which assists state firms secure a larger share of federal government contracts. The Network, in 21 area vo-tech centers, offers free advice, complete federal bid research, notification, and preparation assistance.

	State	Federal	Other	Total
FY 1989	\$1,132,769	\$150,000		\$1,282,769
FY 1990	887,632	150,000		1,037,632

State Funding Trend Don't know

Total Number of Staff, 1989: 7                      1990: 7

2. Small business assistance

Small Business Assistance Office - the office, part of the Department of Commerce, provides targeted assistance to small business owners and entrepreneurs. The Office offers the following: general assistance, assistance to minorities and women, tribal business assistance, and the Main Street Program.

	State	Federal	Other	Total
FY 1989	\$1,000,000			\$1,000,000
FY 1990	1,000,000			1,000,000

State Funding Trend Don't know

Total Number of Staff, 1989: 12                      1990: 14

Financial Capital

A. Loan/bond financing

Oklahoma Development Finance Authority - the Authority offers financing programs which cater to government and the private sector. The programs are divided into three categories: debt financing, technical assistance, and credit enhancement.

	State	Federal	Other	Total
FY 1989			\$107,925*	\$107,925
FY 1990			309,799*	309,799

State Funding Trend Don't know

Total Number of Staff, 1989: 4      1990: 6

\*From user fees. Since no state funds support this program, it is not included in our analysis.

- B. Risk financing/equity investments
- C. Small business financing
- D. Export financing

Export Finance Insurance Program - the Capital Resources Division of the Department of Commerce has undertaken planning to implement the program, which will provide a central point for companies to gain access to financial guarantees, helping them enter the export market.

	State	Federal	Other	Total
FY 1989				
FY 1990	\$168,848			\$168,848

State Funding Trend Don't know

Total Number of Staff, 1989: 3      1990: 3

- E. Other

#### Human Capital

- A. Productivity improvement/production assistance
- B. Training assistance for new and expanding companies

Training for Industry Program - the Oklahoma Department of Vocational-Technical Education operates this program which provides adult training to industry through a network of 26 vo-tech schools at 43 sites. The program offers customized training, free of charge, to companies establish new businesses in the state, in addition to meeting the on-going training requirements of expanding firms. Services include: planning, free training facilities, free instructors and training materials, on-the-job training, and free training equipment.

	State	Federal	Other	Total
FY 1989	\$3,388,333			\$3,338,333
FY 1990	5,044,133			5,044,133

State Funding Trend **Increasing**

Total Number of Staff, 1989: 9.25 1990: 9.25

- C. Training assistance for existing companies
- D. Business/education training partnership (e.g. equipment)

Job Training Program - the Oklahoma Employment Security Commission administers this program which trains and assists in finding employment for people below the poverty level.

	State	Federal	Other	Total
FY 1989				--
FY 1990		*		*

State Funding Trend **No change**

Total Number of Staff, 1989: 25 1990: 25

\*Federal JTPA funding of \$40,000,000 (FY 90) was not included in our analysis.

Infrastructure Development

- A. General loans/grants to communities
- B. Site Development/business park loans/grants

Quality of Life

- A. Community arts program (facilities, resources)

Community Arts Programs - the State Arts Council and its community arts programs include: project assistance for local arts, arts-in-education, and touring programs. The council provides funding for 1,00 non-profit, tax-exempt, non-religious projects per year.

	State	Federal	Other	Total
FY 1989	\$1,919,107	\$247,855	\$6,648,928	\$8,815,890
FY 1990	2,385,881	247,855	7,758,620	10,392,356

State Funding Trend **Increasing**

Total Number of Staff, 1989: 15 1990: 16

## B. Public television/radio grants/support

Oklahoma Educational Television Authority - the **Authority** is a statutory corporation created by the state to provide instructional and public television services available.

	State	Federal	Other	Total
FY 1989	\$2,635,000		\$140,000*	\$2,775,000
FY 1990	2,635,000		140,000*	2,775,000

State Funding Trend **Increasing**  
 Total Number of Staff, 1989: 70      1990: 70

\*revolving fund

## C. Other

Technology/Innovation

## A. Research/product assistance loans/grants

Oklahoma Health Research Program - through **Oklahoma Center for the Advancement of Science and Technology**, this program encourages and funds one to three year projects in health research.

	State	Federal	Other	Total
FY 1989	\$2,670,000	\$2,670,000*		\$5,340,000
FY 1990	2,670,000	2,670,000*		5,340,000

State Funding Trend **No change**  
 Total Number of Staff, 1989: DK      1990: DK

\*estimate of total non-state funds

## B. Applied technology centers; R &amp; D centers

Centers of Excellence - the **Oklahoma Center for the Advancement of Science and Technology** oversees three centers which are dedicated to preeminence in specific areas of science and technology innovation: laser development and application; integrated design and manufacturing; molecular medicine. These centers are university/industry partnerships requiring state and non-state matching funding.

	State	Federal	Other	Total
FY 1989	\$7,000,000			\$7,000,000
FY 1990	9,000,000	\$2,820,000		11,820,000

State Funding Trend **Don't Know**  
 Total Number of Staff, 1989: DK      1990: DK

Applied Research - Oklahoma Center for the Advancement of Science and Technology supports and funds research and development projects which have commercial potential. Requires state and non-state matching funds.

	State	Federal	Other	Total
FY 1989	\$1,000,000	*		\$1,000,000
FY 1990	2,900,000	4,500,000		7,400,000

State Funding Trend **No change**

Total Number of Staff, 1989: DK 1990: DK

\*non-state funds carried forward into FY 1990

C. Small business research loans/grants/assistance

SBIR Phase I Incentive Funding and SBIR Matching Funds - Programs provide partial reimbursement for Phase I proposal costs and matching funds of up to one-half of a recipient firm's federal Phase I award for those firms who have applied for a Phase II award.

	State	Federal	Other	Total
FY 1989	\$100,000			\$100,000
FY 1990	200,000			200,000

State Funding Trend **Increasing**

Total Number of Staff, 1989: DK 1990: DK

D. University/business partnership

E. Inventor/royalty grants

F. Patent information and assistance

Inventors Assistance Program - Assist inventors in locating manufacturers and marketing organizations commercialize their proprietary technologies.

	State	Federal	Other	Total
FY 1989	\$235,000			\$235,000
FY 1990	235,000			235,000

State Funding Trend **No Change**

Total Number of Staff, 1989: 4 1990: 4

G. Technology offices

H. Value-added programs and assistance

I. Technical/technology assistance; technology transfer;  
info/network

Database information network - OCAST administers a statewide database designed to assist business, government and other organizations locate specific technical experts available in OK.

	State	Federal	Other	Total
FY 1989	\$60,000			\$60,000
FY 1990	60,000			60,000

State Funding Trend No Change  
Staff: 1989: DK 1990: DK

J. Other

1. Equipment

MOST Research Equipment - Oklahoma Center for the Advancement of Science and Technology oversees this program which uses matching funds to facilitate the purchase of state of the art laboratory equipment for existing research and development projects.

	State	Federal	Other	Total
FY 1989	\$969,000	\$969,000*		\$1,938,000*
FY 1990				

State Funding Trend Don't know  
Total Number of Staff, 1989: DK 1990: DK

\*estimate of minimum



Distribution of Economic Development Funds  
Across Strategic Foundations

OKLAHOMA

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$17,864,233	\$17,565,186	47.2%	40.7%
Financial Capital	0	168,848	0.0	1.0
Human Capital	3,388,333	5,044,133	8.8	11.7
Infrastructure	0	0	0.0	0.0
Quality of Life	4,554,107	5,020,881	12.0	11.6
Technology/Innovation	12,034,000	15,065,000	31.8	34.9
<b>TOTAL</b>	<b>\$37,840,673</b>	<b>\$42,864,048</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$32,027,233	\$31,167,666	51.0%	41.6%
Financial Capital	0	168,848	0.0	1.0
Human Capital	3,388,333	5,044,133	5.4	6.7
Infrastructure	0	0	0.0	0.0
Quality of Life	11,590,890	13,167,356	18.5	17.6
Technology/Innovation	15,673,000	25,055,000	25.0	33.4
<b>TOTAL</b>	<b>\$62,679,456</b>	<b>\$74,603,003</b>	<b>100%</b>	<b>100%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.

**APPENDIX L**

**Oregon**

Business Environment

- A. Out of state industrial recruitment
- B. International promotion, recruitment, representation

Oregon Trade and Marketing Center - this private, non-profit organization promotes international trade and tourism and encourages international investment opportunities in the state. It is also the coordinating body of various agencies that are involved in international trade. The Center was created in 1987 with a one-time appropriation of \$1.5 million.

	State	Federal	Other	Total
FY 1989	*			
FY 1990	-			

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 1      1990: 1

\*of the \$1.5 million appropriation, \$844,000 in current assets remained on July 1, 1989.

- C. Business export

International Trade Division - the **Department of Economic Development** oversees this program, which aids businesses that wish to capitalize on the opportunities of trading abroad. The program offers the following: specific market information prepared by experienced trade specialists; identification of potential customers, distributors, and foreign agents; assistance in obtaining information and access to federal export programs; trade leads from foreign sources; and organization of trade missions and participation in overseas trade shows.

	State	Federal	Other	Total
FY 1989	\$1,800,000			\$1,800,000
FY 1990	1,800,000			1,800,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 20      1990: 21

Small Business International Trade Program - the **Department of Economic Development** and the **U.S. S.B.A.** administer this program. Its goals included promoting international trade for small businesses, providing referral services for small businesses, and providing consulting functions which develop marketing plans for start-ups and expanding small businesses.

	State	Federal	Other	Total
FY 1989	\$90,000*			\$90,000
FY 1990	90,000*			90,000

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 2      1990: 4

\*funding represents one-half of 1989-1991 biennium allocation

D. Small Business Development Centers

Small Business Development Centers - co-administered by the Oregon Department of Economic Development and the U.S. S.B.A., this program operates 20 centers throughout the state.

	State	Federal	Other	Total
FY 1989	\$909,803*	\$741,000	\$2,221,372	\$3,872,175*
FY 1990	909,803*	741,000	2,221,372	3,872,175*

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 100      1990: 100

\*funding is one-half of 1989-1991 biennium total

E. Business retention and expansion

Strategic Reserve Fund - the Department of Economic Development administers this fund to support new, expanding, or relocated businesses. Projects should result in new jobs, retained jobs, or higher incomes with a state-wide or regional significance.

	State	Federal	Other	Total
FY 1989	\$11,500,000*			\$11,500,000
FY 1990	11,500,000*			11,500,000

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 0      1990: 0

\*figures represent one-half of the 1989-1991 biennium funding

F. Community/urban development

Oregon Downtown Development Association - this self-administered program, in conjunction with the Department of Economic Development, assists in revitalizing the state's business districts, downtowns, and older commercial cores.

	State	Federal	Other	Total
FY 1989	\$125,000		\$75,000	\$200,000
FY 1990	225,000		75,000	300,000

State Funding Trend: Don't know  
 Total Number of Staff, 1989: 4      1990: 5

Community Initiatives Section - the Section is administered by the Partnership Division of the Department of Economic Development. Its services include: Transition Communities - provides technical assistance to help communities cope with the direct and indirect impact of a plant closure or sudden job loss; Competitive Communities - assistance to communities whose leadership is committed to improving their local economic development efforts; Business Retention Services, and Employee Ownership Program.

	State	Federal	Other	Total
FY 1989	\$900,000*			\$900,000
FY 1990	900,000*			900,000

State Funding Trend: Increasing  
 Total Number of Staff, 1989: 4      1990: 4

\*Funding represents one half of the 1989-1991 biennium allocation.

- G. Rural development
- H. Tourism and image promotion

Tourism Division - the Department of Economic Development oversees this program which markets the state as a tourist's destination, produces a state travel guide, assists regional tourism development groups, operates boarder Welcome Centers, and conducts research regarding the tourist industry.

	State	Federal	Other	Total
FY 1989	\$2,500,000*			\$2,500,000
FY 1990	2,800,000*			2,800,000

State Funding Trend: Increasing  
 Total Number of Staff, 1989: 9      1990: 10

\*funding does not include allocation from Regional Strategies Program (FY 1989: \$7,641,644 and FY 1990: same level) or Strategic Reserve Fund

- I. Major industry support

Agriculture Development and Marketing Division - the Department of Agriculture administers this program which promotes state products in national and global markets.

	State	Federal	Other	Total
FY 1989	\$1,166,109*	\$130,000	\$100,000	\$1,396,109
FY 1990	1,166,109*	130,000	100,000	1,396,109

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 17      1990: 17

\*funding represents one-half of 1989-1991 biennium allocation

Mineral Exploration - the Department of Geology and Mineral Industries undertakes geological studies to verify state mineral resource deposits (oil, natural gas, gold, and other minerals).

	State	Federal	Other	Total
FY 1989	\$162,500*	\$25,000		\$187,500
FY 1990	162,500	25,000		187,500

State Funding Trend: **Decreasing**

Total Number of Staff, 1989: 0      1990: 0

\*funding represents one-half of 1989-1991 biennium allocation

Forest Products Opportunity Fund - the Department of Economic Development administers this program which assists in the development and marketing of state-produced forest products. Additionally, this fund finances technical studies of the forest products industry, forest products workforce and forest productivity, management, and land allocation.

	State	Federal	Other	Total
FY 1989	\$144,000*			\$144,000
FY 1990	144,000*			144,000

State Funding Trend: **Don't know**

Total Number of Staff, 1989: 0      1990: 0

\*funding represents one-half of 1989-1991 biennium allocation

J. Economic development research

Policy and Research/Strategic Plan Implementation - the Department of Economic Development handles this program which strives to build an economic climate conducive for industrial economic diversification and for technical assistance to support the development of business sectors.

	State	Federal	Other	Total
FY 1989				
FY 1990	\$207,334			\$207,334

State Funding Trend: **Don't know**  
 Total Number of Staff, 1989: 5 1990: 5

International Trade Institute - the Department of Higher Education and Portland State University oversee the Institute, which conducts research to promote international trade and foreign direct investment in the state. Additionally, the Institute is developing an on-line business directory to facilitate international trade access for local businesses.

	State	Federal	Other	Total
FY 1989	\$250,000*			\$250,000
FY 1990	250,000*			250,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 8 1990: 8

\*funding represents one-half of 1989-1991 biennium funding

Oregon Progress Board - the Oregon Progress Board is administered by its own Board of Directors which includes the Governor. The mission of the board is to keep the state focused on actions fundamental to building a rewarding and attractive future. This includes activities in economic development research and planning.

	State	Federal	Other	Total
FY 1989	\$425,000*			\$425,000
FY 1990	425,000*			425,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: DK 1990: 4

\*funding represents one-half of 1989-1991 biennium funding

- K. Economic development liaison
- L. Database development

Oregon Marketplace - the Department of Economic Development operates this program, which connects area businesses with local suppliers of goods and services. The Marketplace is also a sourcing network for international trade.

	State	Federal	Other	Total
FY 1989	\$384,000	\$6,250	\$136,572	\$526,822
FY 1990	360,000		225,000	585,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 12      1990: 12

M. Business incubators

N. Film promotion

O. Other

1. Small business development/assistance

Small Business - the Department of Economic Development coordinates small business programs within the state to address the needs of the small business community.

	State	Federal	Other	Total
FY 1989	\$250,000			\$250,000
FY 1990				

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: DK      1990: 3

2. Strategic planning assistance/implementation

Regional Strategies Program - the Department of Economic Development administers this program, which provides the opportunity for all counties, either alone or in partnership, to take an active leadership role in developing their own economic development plan. Strategies should capitalize on a county's comparative advantages and opportunities. Additionally, a plan should: be near-term; leverage other resources; be self-sustaining; and have long-run growth prospects. Specifically identified projects which support this strategy are part of the region's application for funding. Projects currently being funded have an impact on tourism, technology transfer, agriculture promotion, and maritime trade development.

	State	Federal	Other	Total
FY 1989	\$11,925,000*			\$11,925,000
FY 1990	11,925,000*			11,925,000

State Funding Trend: **Decreasing**  
 Total Number of Staff, 1989: 5      1990: 5

\*funding represents one-half of 1989-1991 biennium allocation



Financial Capital

A. Loan/bond financing

Oregon Business Development Fund - the fund is a revolving loan fund administered by the Department of Economic Development. Manufacturing, processing, and tourism related projects are eligible and long-term, fixed rate loans are offered for land, buildings, equipment, machinery, and permanent working capital. The maximum loan will cover 50% of the project's costs and not exceed \$250,000 per project. Preferences towards rural areas, enterprise zones, and small businesses exist.

	State	Federal	Other	Total
FY 1989	\$1,500,000*		\$331,200**	\$1,831,000
FY 1990	875,000		274,000***	1,149,000

State Funding Trend: Don't know

Total Number of Staff, 1989: 5      1990: 4

\*funding represents one-half of biennium lottery expenditure  
 \*\*source: income from interest and fees, one-half of 1987-1989 biennium administrative expenditure  
 \*\*\*funding represents one-half of 1989-1991 biennium administrative budget.

Oregon Capital Access Program - the Department of Economic Development handles this program which was designed to stimulate lending by private banks to small and medium-sized businesses by reducing the banks' exposure on loans registered with the program. The state joins the borrower and lending institution in contributing funds to a loan reserve loss account that the lender may tap in order to offset loan losses.

	State	Federal	Other	Total
FY 1989				
FY 1990	\$753,000*		\$67,940**	\$820,940

State Funding Trend: Don't know

Total Number of Staff, 1989: 0      1990: 1

\*funding represents one-half of 1989-1991 biennium lottery allocation.  
 \*\*figure represents one-half of 1989-1991 biennium administrative budget.

Industrial Development Bond/Composite Bond Program - the Department of Economic Development issues industrial development revenue bonds for manufacturing, processing, and tourism related facilities. A goal of the program is the creation of employment through the formation and movement of capital to value-added manufacturing.

	State	Federal	Other	Total
FY 1989			\$50,100*	\$50,100
FY 1990			115,900**	115,900

State Funding Trend: **NA**  
 Total Number of Staff, 1989: 1      1990: 1

\*income from fees - one-half of 1987-1989 biennium administrative expenditure. Programs with no direct state funding are not included in our analysis.

\*\*income from fees - one-half of 1989-1991 biennium administrative budget. Programs with no direct state funding are not included in our analysis.

- B. Risk financing/equity investments
- C. Small business financing
- D. Export financing
- E. Other

- 1. Small Scale Energy Loan Program - the Department of Energy provides low-interest financing of renewable resource or conservation projects. The goal of the program is to facilitate and promote the development of sustainable energy resources.

	State	Federal	Other	Total
FY 1989			\$1,500,000*	\$1,500,000
FY 1990			1,500,000*	1,500,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 14      1990: 14

\*self-supporting via loans made to private sector and local governments. Programs with no direct state funding are not included in our analysis.

- 2. Agricultural Opportunities - the Department of Agriculture offers grants for agricultural promotion and marketing. Grants must be matched 100%, with a 75% in-kind match.

	State	Federal	Other	Total
FY 1989	\$250,000*		\$250,000	\$500,000*
FY 1990	250,000*		250,000	500,000*

State Funding Trend: **No change**  
 Total Number of Staff, 1989: .1      1990: .1

\*funding represents one-half of 1989-1991 biennium allocation

Human Capital

- A. Productivity improvement/production assistance
- B. Training assistance for new and expanding companies

Targeted Training Program - the **Economic Development Department** provides grants for customized training programs for individual firms through local community colleges. The program allocates training funds for business start-up, expansion, and retention which is tied directly to job creation. Training can take place on-the-job or in a classroom (on-site or college campus), and trainees must be hired or retained.

	State	Federal	Other	Total
FY 1989	\$550,000*			\$550,000
FY 1990	550,000*			550,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: DK      1990: DK

\*represents one-half of 1989-1991 biennium funding

- C. Training assistance for existing companies

Key Industry Training Program - the **Economic Development Department** utilizes this part of the Work Force Development Fund to assist in the development of a trained, productive, and flexible work force through improvement of work and basic literacy skills of employees in all business sectors. Two or more firms work together to determine common interests and training needs within their industry, and these needs are addressed in the curriculum of local community colleges. The program must lead to, sustain, or create family wage jobs, provide employees with literacy/customized skills training, and provide long-term comprehensive skills development.

	State	Federal	Other	Total
FY 1989	\$225,000*			\$225,000
FY 1990	225,000*			225,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: DK      1990: DK

\*represents one-half of 1989-1991 biennium funding

- D. Business/education training partnership (e.g. equipment)

E. Other

Workforce Development Section - the Workforce Development Section is one of the four sections of the Partnership Division of the **Economic Development Department**. In addition to administering the Key Industry and Targeted Training programs (both previously listed), the Section offers the following: Occupational Planning and Work Force Assessment - provides information to the Section for planning and evaluation purposes; Literacy Hotline; Public School Partnership - grants for high school equipment, teacher training, work experience, business/education compacts, and peer counseling; and the 2 + 2 Program.

	State	Federal	Other	Total
FY 1989	\$2,555,000*			\$2,555,000
FY 1990	2,555,000*			2,555,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 4      1990: 4

\*funding represents one-half of 1989-1991 biennium allocation, excludes previously mentioned programs

Infrastructure Development

A. General loans/grants to communities

Special Public Works Fund Program - administered by the **Department of Economic Development**, the SPWF offers grant and loan assistance to eligible municipalities for the construction of publicly-owned infrastructure for private projects which may include sewage treatment, water supply, public roads, and public transportation. This purpose and focus of this program is permanent job creation and retention.

	State	Federal	Other	Total
FY 1989	\$7,500,000*			\$7,500,000
FY 1990	7,500,000*			7,500,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 4.9      1990: 4.9

\*figures are one-half of the 1989-1991 biennium total

Community Facilities Grant Program - the **Department of Economic Development** oversees this program which assists municipalities with the financing of new infrastructure projects or improvements. Eligible applicants are cities, counties, ports, water districts, Indian tribes, and metropolitan service districts and funds may be used for the acquisition, construction, or rehab of community centers. Additionally, a specific mix of rural and urban projects is required (33% respectively, with the remaining to the highest rated), and a local match is required.

	State	Federal	Other	Total
FY 1989				
FY 1990	\$8,000,000*		**	\$8,000,000

State Funding Trend: Don't know

Total Number of Staff, 1989: 2      1990: 2

\*figures represent the 1989-1991 biennium total

\*\*program will begin in Spring 1990

Oregon Port Revolving Fund - this self-supporting program provides hard asset financing for port development projects and real estate/business development. Fund was created with an interest-free loan of \$4 million and had received only one state appropriation (in 1983) of \$400,000.

	State	Federal	Other	Total
FY 1989			\$3,200,000*	\$3,200,000
FY 1990			1,500,000*	1,500,000

State Funding Trend: Don't know

Total Number of Staff, 1989: 1      1990: 1

\*loans granted via interest from original state funding and existing projects. Because state funds are not currently being appropriated, this program is not included in our analysis.

B. Site development/business park loans/grants

County Fairs and Special Events Grant Program - the Department of Economic Development awards CFSE grants to county fair and special event organizations for the construction of buildings and improvements on the fair sites.

	State	Federal	Other	Total
FY 1989	\$200,000*			\$200,000
FY 1990	200,000*			200,000

State Funding Trend: No change

Total Number of Staff, 1989: 1      1990: 1

\*figures represent one-half of the 1989-1991 biennium total

Technology/Innovation

## A. Research/product assistance loans/grants

Oregon Resources and Technology Development Corporation - the Corporation provides research and seed capital funding to firms that wish to commercialize product ideas. Program has received \$15 million in state funds and \$28 million in private funds over the last 3 years.

	State	Federal	Other	Total
FY 1989	\$1,500,000*		\$5,000,000*	\$6,500,000
FY 1990	1,500,000*		5,000,000*	6,500,000

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 4      1990: 4

\*funding represents one-half of 1989-1991 biennium appropriation

## B. Applied technology centers; R &amp; D centers

Centers of Excellence - the Department of Higher Education, through this program, finances research at eight post-secondary institutions.

	State	Federal	Other	Total
FY 1989	\$4,832,878	\$12,000,000*		\$16,832,878
FY 1990	5,026,193	12,500,000*		17,526,193

State Funding Trend: **No change**  
 Total Number of Staff, 1989: 80      1990: 80

\*estimates of federal grant activity are approximately 2-3 times the general fund support level

## C. Small business research loans/grants/assistance

## D. University/business partnership

Advanced Science and Technology Institute - this program, operated by the **University of Oregon** and **Oregon State University**, provides a mechanism for university research faculty to have closer ties with the private sector through technology transfer, licensing, and sponsored research. Program goals include the creation, expansion, and attraction of businesses and jobs.

	State	Federal	Other	Total
FY 1989	\$150,000*		\$40,000	\$190,000*
FY 1990	150,000*		40,000	190,000*

State Funding Trend: **Increasing**

Total Number of Staff, 1989: 2    1990: 2

\*funding represents one-half of 1989-1991 biennium allocation

Oregon Center for Advanced Technology Education - under the administration of the **Department of Higher Education**, this program promotes graduate-level educational activities which are targeted primarily toward high-technology firms.

	State	Federal	Other	Total
FY 1989	\$1,250,000*			\$1,250,000
FY 1990	1,250,000*			1,250,000

State Funding Trend: **Don't know**

Total Number of Staff, 1989: 1.33    1990: 2.33

\*funding represents one-half of 1989-1991 biennium allocation

- E. Inventor/royalty grants
- F. Patent information and assistance
- G. Technology offices
- H. Value-added programs and assistance
- I. Technical/technology assistance; technology transfer; info/network

Advanced Technology Centers - the **Department of Economic Development** and the **Division of Vocational Technical Education** utilize this program to help transfer promising innovations from the research laboratory to the workplace in a community college/business partnership. The goals of the ATCs are: provide advanced instruction in emerging high technology areas to train, upgrade, and retrain personnel; provide an industry/laboratory setting which will promote applied research which are key to business growth and expansion; and promote the effective transfer of new products, processes, and procedures.

	State	Federal	Other	Total
FY 1989	\$900,000*			\$900,000
FY 1990	900,000*			900,000

State Funding Trend: **Increasing**  
 Total Number of Staff, 1989: 4      1990: 4

J. Other

1. Technical training assistance

Community College Equipment - the Department of Education distributes funds to community colleges for the acquisition of equipment. Colleges are expected to match the funds for purchases, and the source of the local match can be equipment donations, local tax resources, tuition or tuition surcharges, foundation fund-raising efforts, federal grants, or other sources.

	State	Federal	Other	Total
FY 1989	\$3,000,000*		\$1,615,385**	\$4,615,385
FY 1990	3,000,000*		1,615,385**	4,615,385

State Funding Trend: **Decreasing**  
 Total Number of Staff, 1989: 0      1990: 0

\*funding represents one-half of 1989-1991 biennium allocation  
 \*\*funding based on estimated 65%/35% match



Distribution of Economic Development Funds  
Across Strategic Foundations

OREGON

Strategic Foundation:	Total State Funding		Percent of Total State Funding	
	1989	1990	1989	1990
Business Environment	\$32,531,412	\$32,864,746	57.1%	50.1%
Financial Capital	1,750,000	1,878,000	3.1	2.9
Human Capital	3,330,000	3,330,000	5.8	5.1
Infrastructure	7,700,000	15,700,000	13.5	24.0
Quality of Life	0	0	0.0	0.0
Technology/Innovation	11,632,878	11,826,193	20.4	18.0
<b>TOTAL</b>	<b>\$56,444,290</b>	<b>\$65,598,939</b>	<b>100%</b>	<b>100%</b>

Strategic Foundation:	Total Funding (state+fed+other)		Percent of Total Funding	
	1989	1990	1989	1990
Business Environment	\$35,939,606	\$36,382,118	45.2%	40.9%
Financial Capital	2,331,200	2,469,940	2.9	2.8
Human Capital	3,330,000	3,330,000	4.2	3.7
Infrastructure	7,700,000	15,700,000	9.7	17.7
Quality of Life	0	0	0.0	0.0
Technology/Innovation	30,288,263	30,981,578	38.1	34.9
<b>TOTAL</b>	<b>\$79,589,069</b>	<b>\$88,863,636</b>	<b>100%</b>	<b>100%</b>

Source: 1990 Institute for Public Policy and Business Research Survey of States.