

NCRPC NEWS

North Central Regional Planning Commission
Serving Kansans Since 1972

August/September 2011
www.ncrpc.org

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Upcoming Events

Thursday, September 29

Thursday, October 27

Thursday, December 1

Executive Board Meetings

Beloit Main Office

RURAL BROADBAND BEING THREATENED

To the business and health care sector of the United States, access to broadband service is more essential than ever. That need is not going away.

The Federal Communications Commission (FCC) proposed new rules for rural telecommunication companies in February 2011. The proposed strategies for governing rural telecommunication entities imperil the innovative investments in less populated areas of the United States.

In general, rural telecommunication companies have about five million businesses and many more households. As such they routinely engage government and businesses and set out to provide reliable robust systems in their territories. For the most part, rural telecoms are the only means of providing high speed service in the local service areas.

Congress instructed the FCC to prepare a national broadband plan in early 2009. It was to detail how every American could have access to broadband deployment. About one-quarter of all Americans remain without broadband access to the Internet. Some are not interested. But, many still seek it for home, farm and business purposes.

Issued in June 2011 was a special report by the FCC co-sponsored by the United States Department of Agriculture Rural Utility Service. There are two key components to the plan. One is to enable four megabit (4Mb) connectivity in rural locations. The other is the shifting of Universal Service Fund (USF) dollars to the planned Create America Fund (CAF). Connectivity at 4Mb is 15 to 25 times slower than many rural telecoms currently have built out their systems.

At a recent forum of rural telecoms Dennis Doyle, General Manager of Blue Valley Telecommunications shared his concerns.

"The belief is you can survive here with only a cell phone, but that very small device will never provide reliable quality broadband service," Doyle says.

Thus, rural telecoms have made the investment in fiber connectivity to homes and businesses alike so offices and actual computer setups are able to perform Internet functions just as those in densely populated environments. This has largely occurred by borrowing against future revenues. Anticipated has been debt service from USF reimbursements. The USF receives money from users on every telephone bill. About \$7 million is

generated each year. Of those funds, 48% are returned to rural telecoms via a High-Cost program so that consumers in all parts of the country have access to quality telecommunication services that are reasonably comparable to those in urban places. The USF also enables assistance for Low Income, Rural Health Care and Schools and Libraries.

Many rural telecoms have made their system upgrades per the initial planning model through low-interest loans and have pledged to cover the debt service from customer payments and from the USF reimbursements.

With a significant reduction in USF aid, rural telecoms will be unable to make loan payments. Moreover, they will be forced to reduce staff and that will mean less customer service and fewer maintenance responders.

The Kansas Rural Local Exchange Carriers (KRLEC) commissioned an in-depth examination of the proposed FCC plan by the Center for Economic Development and Business Research at Wichita State University. The conclusion of this research estimated that as much as \$143 million will be denied to rural telecoms through 2017. KRLEC's serve

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RURAL VOICES YOUTH CONTEST OFFERED AGAIN

High school seniors in North Central Kansas have a chance to compete for cash by participating in the 2011-2012 RuralVoices Contest. Contestants may submit a written essay or a short video based on the contest theme of "Rural Kansas...Creating a Culture for Entrepreneurs."

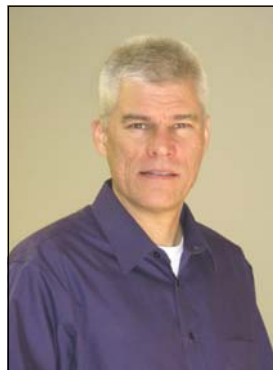
The top entry in each of the two categories will be recognized with a cash award of \$850 and will be published on the *EyeonKansas* website. This marks the sixth year that the NCRPC has sponsored the contest.

Any senior in high school who lives in or attends a school in the 12-county NCRPC service area is eligible — including the counties of Clay, Cloud, Dickinson, Ellsworth, Jewell, Lincoln, Marshall, Mitchell, Ottawa, Republic, Saline and Washington. Home school students in this same area may also participate.

The deadline is November 15, 2011. Additional information and registration details are available by visiting www.eyeonkansas.org and clicking on the "RuralVoices" link.

FROM THE DIRECTOR'S DESK: ARE WE ENCOURAGING TECHNICAL EDUCATION?

Much discussion has occurred in Topeka and many parts of Kansas about the governor's plan for rural development and especially the Rural Opportunity Zone programming. Related to this, additional U.S. Census data was issued for 2010 earlier this year. As it has for the past century, the data shows many cities and a number of counties with population loss in North Central Kansas. Not completely revealed yet are the explicit demographic breakdowns. It is likely many places have aged and further outmigration of young adults has occurred. One question worthy of posing is are we encouraging technical education and hands-on training opportunities to our young persons?



Doug McKinney is the NCRPC Executive Director.

The majority of most small town residents have not and will not earn graduate degrees from an institution of higher learning. Technical skills are important to the makeup of our communities. They matter for everything from agricultural production to production welding to nursing and beyond. In Kansas there are some

solid institutions assisting in this knowledge provision. Sure, many young persons are longing for the chance to depart home for a bigger city. But, are all of them ready for the more expensive and academically challenging track associated with a university? Exploring the individual interests and skill leanings early in their educational experience will help with the guidance necessary for solid decisions when they reach adulthood.

The technical college or trade school route will provide a stronger workforce for the state and nation and it will also assist rural places with more likely candidates to work alongside older tradespersons and others already with homes and businesses in North Central Kansas.

(Rural Broadband — Continued from page 1) businesses and households in 104 of 105 counties. The report also estimated 140 telecom jobs will be lost as well as the millions of dollars in payroll earnings that are associated with them.

These issues have caused hundreds of rural telecoms and their respective state associations to unite and present their concerns to customers and lawmakers.

In recent months, the rural associations produced a plan that meets the FCC's key reform objectives without

putting at risk the substantial investments already made by carriers and without short changing the ability of carriers to make reasonable investments to serve customers in the future.

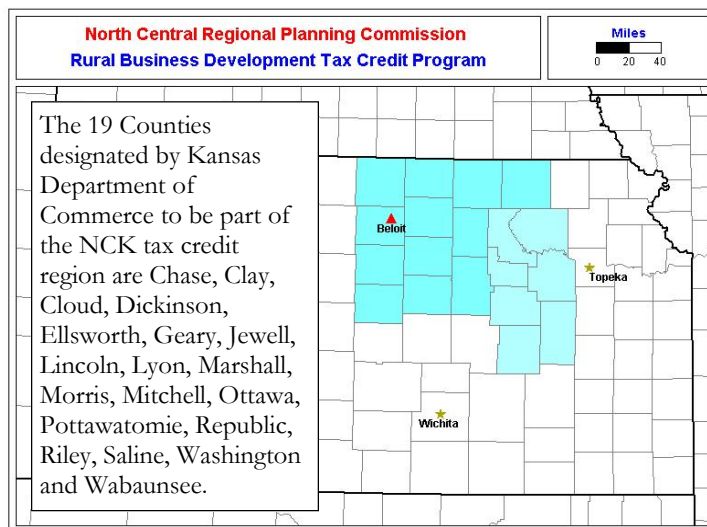
The FCC is nearing the plan review deadline and it remains more important than ever for individuals, organizations and businesses that depend on rural broadband to share their concerns with decision makers so they will realize how vital it is for this revised plan from rural associations be adopted over the FCC's February 2011 proposals.

Needed is for North Central Kansans to engage elected officials and reiterate to them the importance of revisiting the proposed FCC rule and to accept the plan proposed by the National Telecommunications Cooperative Association. Start by learning more at www.ntca.org and at www.saveruralbroadband.org. The latter contains a sample letter to congressional representatives that one can simply read and send in one minute. That action will greatly assist the future viability for rural America.

INCOME TAX CREDITS REMAIN AVAILABLE

State income tax credits for the 2011 tax year are now available through the North Central Regional Planning Commission and its non-profit affiliate North Central Kansas Community Network Co. (NCKCN). These credits are made possible by the Kansas Department of Commerce via the Kansas Rural Business Development Act of 2004. For Kansas income taxpayers, the credits provide a means of support for future project development in North Central Kansas and a sizable tax obligation reduction.

The credits are valued at 75% with funding donated to NCKCN in exchange for the credits being used for rural business development activities. A tax credit is a dollar-for-dollar credit against state income tax liability. For instance, a \$1,000 donation means donors automatically reduce their state tax obligation by \$750. Furthermore, some taxpayers can claim the donation as a Federal income tax deduction as NCKCN is a 501(c)3 entity under IRS statutes.



The 2011 allocation for the North Central Kansas Rural Business Development Tax Credit Program (RBDC) is \$257,143. To date, only \$40,000 of that has been sought. All contributions must be received in writing on program forms by December 31, 2011.

The NCRPC has managed this region's allocation since 2004. More than \$2 million has been generated for project activities. A few of the efforts supported have been low-interest business development loans, industrial park infrastructure loans, regional wind resource analyses for developer use,

county-wide strategic plans for business developments, regional tourism website establishment and entrepreneurship program marketing support. Most projects have multi-county association. Job creation, leadership development, business services and technology support are the categories eligible for program funding.

Approximately 513 people have received training and 281 jobs have benefited from the NCK RBDC program funding.

For more information about this initiative or to view the contribution forms, visit www.ncrpc.org/services/economic.html

MEET THE BOARD



Aaron Householter

Aaron Householter began serving on the NCRPC Executive Board after being elected to a four-year term on the Salina City Commission in April 2011.

Aaron owns and operates Recording Services and Supply, which is an Internet based business selling high-end audio equipment. He also is owner/engineer for Studio 1117, which is a full service recording studio located in Salina. Aaron is also a licensed real estate agent, but is not currently active in the real estate market.

In addition to serving on the Salina City Commission, Aaron is a board member for the Stiefel Theatre for the Performing Arts.

A native of Salina, Aaron graduated from Salina South High School and attended Kansas State University. Music is his passion and he is a member of the Soul Preachers band. The band is a Kansas-based trio that has more than 30 years playing experience.

INNOVATION AWARD GOES TO KANSAS GROUP

The National Association of Development Organizations (NADO) recognized the Kansas Association of Regional Development Organizations (KARDO) with a 2011 Innovation Award for pioneering inventive ways to help rural

or isolated businesses and communities create networks and identify opportunities for growth with the Regional Industry Cluster Analysis and Innovation Networking Project.

Two members of KARDO, including the NCRPC and the Advanced

Manufacturing Institute (AMI) at Kansas State, initiated the pilot regional planning project to increase technology-based economic development in 19 rural Kansas communities.

For more about the award winning project, visit ami.ncrpc.org.

HAYWORTH'S VARIETY STORE NOW OPEN IN LINCOLN

When Lincoln's Duckwall's store closed in mid-January, Roger and Kae Hayworth decided to take matters into their own hands. The couple purchased the downtown Duckwall's building and opened a non-franchised variety store.

Hayworth's Variety Store opened July 5 and has replaced the void left in the community by the closure of Duckwall's. The Hayworth's also own Hayworth's Plumbing, Heating & Hardware, Inc., which is located next door to the new variety store. That business is a retail hardware store and also provides residential and commercial plumbing and heating services in the Lincoln County area. It has operated since 2004.

The Hayworth's have remodeled and constructed an opening between the two buildings that adjoin, which allows customers to shop both buildings and reduces labor needs for the

business. It also doubles the amount of retail space available to the company.

The business has increased its operating days and hours to 8 a.m. to 6 p.m. Monday through Saturday and 10 a.m. to 5 p.m. on Sundays. The business expansion will result in the creation of 2.5 FTE positions.

Stanley Walker, Lincoln County Economic Development Foundation (LCEDF) Director, says it was important to find someone to open a variety store in Lincoln.

"With the announcement that the Duckwall's store would be closing we knew our community would experience the loss of jobs, revenue and vitality from a main street business," Walker says. "Losing the Duckwall's store also left a



Roger and Kae Hayworth purchased the former Duckwall's building (on left) in downtown Lincoln and opened a variety store. The building adjoins their existing business, Hayworth's Plumbing, Heating & Hardware, Inc. (on right).

void for that type of merchandise. Besides creating jobs and tax revenue, having a new business on main street is a positive contribution to the mindset of our community."

This business expansion project was made possible with funding from the Bank of Tescott, the Lincoln County Economic Development Foundation,

the Four Rivers North Central Kansas Business Development Fund (NCKBDF) and investment by the owners.

For more information about the financing programs used, contact Debra Peters, NCRPC Business Finance Director at 785-738-2218 or email dpeters@nckcn.com or visit www.ncrpc.org/services/business.html.

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