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KTEC agency emerges more 'nimble' after budget cuts

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A \$3 million reduction in funding means leaner operations at Kansas Technology Enterprise Corp., including fewer staff and less money for satellite operations such as Wichita Technology Corp.

But it also presents the quasi-public agency a chance to look at ways of improving and enhancing its services and performance as the promoter of technology-based economic development.

This week KTEC had announced that it had implemented a number of measures to deal with a smaller budget, as well as to increase its transparency to legislators and the public.

Its measures for increased transparency include "enhanced detail" on its annual economic impact and performance reports as well as adoption of "a fresh communications approach that is more open."

Earlier this year, the agency came under scrutiny from former Gov. Kathleen Sebelius and was not included in her proposed budget.

Sebelius criticized KTEC for not producing a "solid" return on investment.

Instead, her budget proposal called for rolling some KTEC functions into the Kansas Department of Commerce. The Legislature later restored KTEC's funding.

Kevin Carr, KTEC's interim CEO, said Wednesday that the state's budget crisis has allowed KTEC to look internally and emerge from a smaller budget with the intent of being more "nimble, forward-thinking, being out in front of what's going on in the industry."

The agency, which is supported by state gaming revenue funneled into an economic development initiatives fund, is operating on a little more than \$8 million in fiscal year 2010, which ends June 30, Carr said. That compares with \$11.6 million in fiscal year 2009.

Carr said the funding cuts meant eliminating contracts for two entrepreneurs-in-residence who serve as consultants to the early stage technology companies that KTEC supports.

KTEC also eliminated two full-time jobs, bringing its number of full-time employees to 10, he said.

KTEC's direct investment program, which provides money to promising technology-based startup companies in Kansas, was cut by 30 percent, Carr said.

"We're trying our best to keep that running full speed ahead," he said. "You don't want to miss the next opportunity to help the state get a growth company going."

One of KTEC's newest initiatives, the Pipeline entrepreneurship grooming program, will continue, he said, though its "overall budget was reduced substantially."

Carr said KTEC also had to cut its funding of satellite operations, called centers of excellence, and innovation and commercialization centers by 25 percent.

"It means that we had to really examine our budget, cut anything that isn't touching a client or generating revenue," said Trish Brasted, CEO of Wichita Technology Corp.

About 50 percent of WTC's annual budget is funded by KTEC.

"Thank goodness, or we would be in a world of hurt," she said.

Brasted said WTC has suspended its travel and conference spending. WTC also won't hire two people Brasted was planning to hire. It employs three, including Brasted.

She said the cuts WTC has made will allow it to continue normal operations for the next couple of years.

But "if this is something that continues over a long period of time, it does affect the people we are trying to help," she said.

Carr said KTEC is now taking a harder look at its strategic plan through a task force made up of seven of its board members.

He said the task force is looking at areas within information technology and aviation, for example, to determine if there's a specialized focus for KTEC to pursue.

The board and KTEC staff are seeking to identify areas "that are going to be hot over the next few years, where Kansas can compete and KTEC can play a role," he said.

Carr said he hopes the task force will identify those areas by late fall.

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