



March 9, 2019

Senate Agriculture and Natural Resources Committee

RE: House Bill 2215

Mr. Chairman & Members of the Senate Agriculture & Natural Resources Committee:

I am Virginia Crossland-Macha, current President of the Kansas State Fair Board. I've been a board member since 2010. I come before this distinguished committee to support HB 2215 concerning the establishment of a 501c3 Foundation for Kansas State Fair.

The opportunity for the Kansas State Fair to attract private money by establishing a Foundation has unlimited possibilities for our future needs. Whether addressing building needs, establishing scholarship opportunities in agriculture or becoming a benefactor of estate planning when a truehearted Kansas State Fair supporter wants to give back to the Fair, a foundation component would greatly enhance the Fair's ability to capture those opportunities. It is key to remaining relevant in the fast-changing world of Kansas agriculture.

In 2018, SB 45 gave us the ability to recoup a portion of sales tax that is generated on the Kansas State Fairgrounds. It had the unanimous support of the Senate with many of these supporters being members on this committee. It has enabled us to target 2020 as a possible date to bond a project that includes the reface and structural repair of the Expo Center. With a Foundation to raise private donations, it greatly increases the chances for this project to happen in 2020.

Presently, the Kansas State Fair has a designated fund allowed by K.S.A. 74-4215, which was established in 1994 by an agreement with the Hutchinson Community Foundation. However, the "Friends of the Fair" account falls short of the advantages that a 501c3 would have given the Kansas State Fair. This designated fund under the Hutchinson Community Foundation has been primarily used to hold funds that cover the expenses of our competitive exhibit shows that take place during the 10-day fair. It also houses prize money for those shows, along with deferred maintenance money given to the Fair for midway improvements and funds raised during our annual woodcarver's auction.

A nonprofit fund will also help in awarding college scholarships. In 2018, the Kansas State Fair Board realized our Fair has been limited in developing and growing a scholarship program for youth in agriculture as many of our fellow state fairs have done. This is a key component to maintain high participation in Kansas State Fair livestock shows like the Grand Drive and the Supreme Drive. The Board approved money to endow and establish the Grand

Drive Scholarship Fund. In celebration of the 20th anniversary of the Grand Drive youth livestock show this year, we will now be able to award 10 \$1,000 scholarships to 4-H and FFA youth. The process has been lengthy and cumbersome in order to endow funds for this purpose.

The Kansas State Fair is thankful to the Hutchinson Community Foundation for housing the designated fund, and its guidance moving funds to address needs on the Kansas State Fairgrounds, but it has not been without difficulty. When discussing with Hutchinson Community Foundation the opportunity that a 501c3 would give the Kansas State Fair, it was received with positive support. Going this direction would add a very useful tool for the future needs of the Kansas State Fair.

When addressing what a board of the proposed “Pride of Kansas Foundation” would look like, the discussion has been that the Kansas State Fair Board will hold three seats on the proposed foundation, and it has been suggested that these seats be held by the executive team of the board. The General Manager will provide guidance and oversight for the proposed foundation. This is an opportunity to include our key partners who run main components of the Kansas State Fair stock shows, so the Grand Drive Committee will hold one seat. There also will be a spot for 4-H/FFA. An at-large position will be held by a person bringing financial expertise to proposed building projects. This is just a general concept from conversations had by fair board members, but the thought of keeping it small would be more manageable in the beginning. Decisions made by this Foundation Board will be guided through a constructive process by the General Manager of the State Fair, and Kansas State Fair Board will remain the final say on any action.

On Tuesday, March 7, the Kansas State Fair Board approved a committee of board members to work closely with a legal team to begin the process. Paula Landoll-Smith (business owner), Karen Hibbard (Manhattan Chamber), Patty Clark (Department of Commerce), Robert Moeder (retired Kroger executive), Aubrey Patterson (Hutchinson Community Foundation Executive Director) and General Manager Robin Jennison bring much experience needed to this process. This group of people will put together a final proposal for the “Pride of Kansas Foundation,” which will be reviewed by the Attorney General and approved by the Kansas State Fair Board.

The “Pride of Kansas Foundation” will remain close with our Partners at the Hutchinson Community Foundation as the foundation is an integral player in the expansion of the network of supporters for the Kansas State Fair. The partnership over the past 20-plus years has served the State Fair. The doors of opportunity that HCF can open for the Kansas State Fair as a partner is invaluable. The Kansas State Fair in 2017 established a position of Director of Industry & Business Relations that will work under the General Manager to grow the Pride of Kansas Foundation.

In this era of decline being experienced by most State Fairs and less focus being placed on the agriculture component of fairs in general, the formation of foundations to support infrastructure needs and enhanced scholarship opportunities have become the norm in the industry. I point to one example, the Indiana State Fair Foundation that was formed to address many of the same needs that the Kansas State Fair is faced with. When formed in 2011, the Indiana State Fair Foundation reported \$186,929 for that year. In 2016 the Indiana State Fair Foundation had raised almost \$11 million with 96.04 percent of those funds coming from private supporters. Imagine what a Foundation could do for the future of the Kansas State Fair. I encourage your support of HB 2215. I thank the committee for this opportunity to talk about solutions for the future of the Kansas State Fair and look forward to answering any questions that may arise.

Virginia Crossland-Macha  
Kansas State Fair Board President