

March 9, 2017

Madame Chair and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our over 1,600 members, thank you for the opportunity to offer testimony in opposition to S.B. 223.

This legislation would no longer allow Kansas firms to use the Promoting Employment Across Kansas program (PEAK) as a tool to expand jobs and make capital investments in our state. Additionally, this legislation requires companies outside of Kansas to be moving at least 250 miles to qualify for PEAK awards. The Wichita Chamber strongly opposes any legislative action that hinders economic development and the creation of jobs within Kansas. Imposing any of the aforementioned changes on PEAK would stifle growth and likely lead to jobs destined for south-central Kansas to instead land in Oklahoma.

The legislation would bar firms currently located in Tulsa, 177 miles from Wichita, and Oklahoma City, 161 miles away from Wichita, from relocating anywhere within south-central Kansas. While we see the benefit of this legislation for Oklahomans, we fail to see how it does anything for Kansans.

Kansas needs more economic development tools – not less. While the current budget challenges facing our state are not lost on our membership, we none the less urge you to recognize that suspending and/or ending economic development efforts will only enhance and prolong these financial challenges.

High paying aviation jobs, which provide an economic anchor for our state general fund, are highly sought after by other states. Oklahoma in particular has become particularly adept at creating incentive programs designed to steal our aviation jobs. Passage of S.B. 223 is probably strongly supported by Oklahoma's governor and legislature. There's probably no better Oklahoma jobs bills in 2017 than H.B. 223 and its companion, S.B. 222.

Finally, PEAK is working. There is absolutely no data to suggest otherwise. In fact, a report from Legislative Post Audit shows a positive return on investment for the state of Kansas on the PEAK program. Tools like PEAK are investments. However, unlike some investments that payoff in the long run, PEAK pays immediate dividends. Kansas needs growth in jobs and in capital investment. PEAK provides a conduit for that investment in our state's economy.

We strongly urge the Committee to reject S.B. 223.

Very truly yours,

Jason Watkins

