

Submitted Testimony

Kansas House Committee on Appropriations

April 27, 2011

Jim Walters
Senior Vice President
Cessna Aircraft Company

Appropriations Committee

Date April 28, 2011

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Distinguished members of the Kansas House Committee on Appropriations:

Thank you for the opportunity to offer support for HB 2149, The University Engineering Initiative Act.

Kansas has a unique place in the global aerospace community as one of only a handful of aerospace clusters, or centers of aerospace research and industry. While this Kansas aerospace industry is centered in South Central Kansas, its impact is statewide and it affects the lives and pocketbooks of tens of thousands of Kansas, directly and indirectly. Most visible are major aircraft suppliers – Cessna, Bombardier, Hawker Beechcraft, Spirit and Boeing. But surrounding these major producers are hundreds of small and medium size companies supplying parts and systems to Kansas aircraft assemblers as well as other companies around the world.

In Cessna's field, general aviation, there are scores of companies of all sizes employing some 17,000 employees who draw more than a \$1 billion in direct pay a year. The General Aviation Manufacturers Association shows billings to Kansas suppliers of \$625 million in 2009 – a number that will grow as the industry comes back from its worst downturn in memory.

Kansas aerospace companies not only fuel the state's economy, they give the state a position as one of America's leading exporters, thanks to our global marketplace and high quality product range. Kansas companies were a major contributor to America's nearly \$5 billion in aerospace exports in 2010.

That the Kansas aerospace cluster exists is no accident. While it may have been entrepreneurship and luck that three aviation pioneers just happened to live in Kansas to start aircraft production in the early years of American aviation, it has been the support of local governments and the Kansas Legislature that allowed this industry to prosper through the years. Your foresight and recognition of the economic benefits of a strong aviation industry have won the day time and again as you have continued to act boldly in support of the women and men of Kansas who give so much to what we do.

Over the years, you have supported aviation as well as other high technology businesses with pro-business legislation and tax policy and that continues to impact our growth in good

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times and our survival in lean times. And you have gone beyond simple pro-business initiatives to support institutions that set apart Kansas from other states that would take away business share. Specifically, the National Institute for Aviation Research and the National Center for Aviation Training form important legs of support for our industry and your funding for both has been a signal to the world that our state intends to remain in a leadership position for the future.

The third leg of the aerospace industry now needs your help as well. Access to new engineers is the key to keeping any industry fresh and competitive, and world-class educational facilities and programs form the underlying foundation to that access.

At Cessna, our engineering talent leans heavily on our Kansas roots. We anticipate hiring some 350 engineers through 2014 as we invest in new products and product improvements to maintain our own leadership position. At least half of those new hires will be new college graduates.

Our data shows that when our requirements are this large, we are forced to look outside Kansas as the state schools cannot meet our needs. For instance, this year's requirements are low enough so that more than 60 percent of our new graduate requirement will be met by Kansas universities. But as our requirements grow in 2012 and beyond, that percentage will drop below 25 percent but our Kansas schools just can't supply enough new engineering graduates for all the companies in the state aviation cluster.

To attract new students to Kansas engineering schools, we have to offer the prospective student a competitive education with modern, well-equipped facilities. If we don't, they will go to other schools in other states.

On behalf of the senior leadership team at Cessna, and speaking as a member of the Kansas aviation cluster, I urge you to support this bill to help maintain our economic prowess and technological advantage. Thank you for allowing Cessna this opportunity.

Jim Walters
Senior Vice President, Human Resources
Cessna Aircraft Company

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