



**Testimony to
Senate Ways and Means Committee
on Rural Opportunity Zone Program
by Chris Harris, Kansas Department of Commerce
March 7, 2012**

Thank you to the Committee for inviting me to present on our efforts to develop the Rural Opportunity Zones Program, and provide an update on the progress of the program to this point.

The Department of Commerce immediately began gathering information and establishing the appropriate structure for the Rural Opportunity Zones program (ROZ) upon the passing of the legislation in the 2011 session. Our initial ROZ team consisted of myself, Carole Jordan, former Director of Rural Development, Jason Glasrud, Chief of Staff and Dan Lara, Public Information Officer. We determined very quickly that there were two distinct audiences to which we would need to direct our efforts; those audiences being the respective County Commissions and the potential applicants. Due to the shared structure of the annual payments and the necessity of county resolutions we worked with our field staff to communicate with the county commissioners and met with them as requested. In addition to many questions they provided us nearly unanimous feedback, they were excited about the program but they were worried about their budgetary exposure and abuse of the program. They could not pass resolutions without any means of controlling their obligations. To that end, we determined that each county would be able to establish their annual budget available for ROZ matching payments and that those payments would be made on an annual basis. They were equally concerned that the payments would not be applied to the loans and that individuals would move into the county, receive benefits and then leave.

This legitimate concern helped us to determine that the payments should be made directly to the lender and that the payments would be made in the latter half of the calendar year.

Our sensitivity to the concerns of the counties resulted in 44 counties passing resolutions by December 31st. While we were working with the counties we were developing an online application to be hosted on the Commerce website, posting FAQ's for individuals, meeting with partners such as the Department of Revenue and others to ensure consistent standards and address concerns, and working with our internal marketing team to begin a marketing plan. The online application was made available on July 1st, 2011 and since then we have seen steady and encouraging results.

Budget

- Cumulative County Budget: \$390,000
- Current Approved Obligation: \$130,378.23
- Pending Obligations: \$97,205.31

**All three figures are subject to increases*

Statewide ROZ Application Update

Notes: These figures represent the total applications for the student loan repayment program. Based on monthly patterns it is expected that approximately 70% will ultimately qualify.

- 235 Applications
- Applicants for 42 of the 44 participating counties
- To date 44 counties have passed resolutions.

The applicant pool for the ROZs has been diverse, dynamic, and encouraging. Certain trends have developed since the application was made available. Many of the applicants are young recent college graduates that have family ties to rural Kansas. The most common applicant is a young person in their mid-twenties to mid-thirties with family ties to the region working in a variety of professional fields including healthcare, education, engineering, agriculture and law.

Of the 235 applicants:

54 are working in education

46 are working in healthcare (nurses, physicians, chiropractors, and pharmacists)

5 are engineers

4 are veterinarians

148 have family connections to rural Kansas

80 are moving to ROZ counties from out of state:

15 from Colorado

14 from Nebraska

9 from Missouri

5 from Oklahoma

4 from Iowa

3 from North Carolina

3 from Florida

3 from Utah

2 from Arkansas

2 from Michigan

2 from Alabama
2 from Virginia
2 from Minnesota
2 from Texas
1 from Kentucky
1 from Ohio
1 from South Carolina
1 from New York
1 from California
1 from Tennessee
1 from Pennsylvania
1 from New Mexico
1 from Idaho
1 from Indiana
1 from Montana
1 from New Hampshire