

Changes to Promoting Employment Across Kansas (PEAK) Program; Sub. for HB 2430

Sub. for HB 2430 changes the Promoting Employment Across Kansas (PEAK) Program in several ways.

Under the bill, qualified companies may receive PEAK benefits for a benefit period of up to five years if the average wage paid to new employees is equal to the county median wage. The benefit period may extend up to six or seven years if the average wage paid to new employees is at least 110 percent or 120 percent, respectively, of the county median wage. Under previous law, qualified companies could receive benefits for periods ranging from five to seven years if the median wage paid to new employees was equal to or greater than the county median wage.

Qualified, high-impact companies, meaning companies that employ at least 100 new employees, are eligible for benefits for seven to ten years if the average wage paid to the new employees is equal to or greater than the county median wage. Under previous law, the eligibility of high-impact companies was based upon the median wage paid to new employees.

The bill permits the PEAK Program to be used for job retention for an additional 3.5 years, extending the sunset from December 31, 2014, to June 30, 2018. The aggregate amount of benefits received annually by qualified companies that retain jobs is capped at \$1.2 million during FY 2015 through FY 2018.

Qualified companies who had entered into the program prior to January 1, 2013, may request an extension for up to two years. The Secretary of Commerce has the discretion to grant the extensions as necessary for the companies to receive the benefits intended under the original PEAK agreements.

The bill applies caps on the aggregate amount of PEAK benefits received by qualified companies that expand or relocate operations in Kansas. In FY 2014, the cap is \$12 million. In FY 2015 the cap is \$18 million, \$24 million in FY 2016, \$30 million in FY 2017, \$36 million in FY 2018, and \$42 million in FY 2019 and subsequent fiscal years.

Incumbent legislators, as of the effective date of the bill, are prohibited from receiving benefits under the PEAK Program while in office and for a period of three years after leaving legislative office. Under previous law, legislators could not avail themselves of benefits until July 1, 2015.