

February 12, 2015

Mr. Chairman and Members of the Committee,

On behalf of the Wichita Metro Chamber of Commerce and our nearly 1,800 members, thank you for the opportunity to offer testimony in support of H.B. 2261.

As you are well aware, the Wichita, south-central economy was particularly hard hit by the Great Recession. Between 2009 and 2011 our local MSA saw nearly 30,000 jobs lost. Many of these were aviation related, but many other manufacturing sector jobs were also lost. While some of these jobs have returned and our economy has improved in recent years, we still have one of the state's highest unemployment rates. Jobs are still hard to come by; especially high paying jobs. Clearly, the general aviation industry has yet to return to its pre-recession levels.

Our community continues to work hard to support and promote the general aviation industry, but there is also clear recognition that we must diversify our local economy in order to preserve the long-term economic health of our city and region. With this in mind, we are vigorously working to attract out of state firms specializing in advanced materials, energy and professional services. In addition, we are working to create and improve the economic environment for start-ups and entrepreneurs.

Almost every recruiting effort involves a conversation and analysis largely centered on the cost of doing business. Unemployment taxes are a significant cost driver and therefore, can and often are seen as a challenge in these efforts. While we applaud the legislature's past efforts regarding UI and UI taxes, this particular tax is still problematic due to its comparative cost and lack of predictability.

H.B. 2261, if passed into law, would be a dramatic step forward and would greatly improve the Kansas business environment. Without question, this legislation is about job creation. We strongly support it and hope that you will pass it.

Best regards,

Jason Watkins
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