



HEARINIG ON SB 222 & 223 PROMOTING EMPLOYMENT ACROSS KANSAS
TESTIMONY BEFORE THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

March 8, 2017

Chairwomen Tyson and Members of the Committee,

Thank you for including this testimony on behalf of the Greater Wichita Partnership in opposition to Senate Bill 222 and 223 regarding the Promoting Employment Across Kansas (PEAK) program. The Partnership is an economic development organization that promotes ten counties across south-central Kansas. Led by over 120 of the largest private businesses across our metropolitan area, the Partnership sees this affiliation as an opportunity for further economic growth of our region and the state of Kansas.

Economic development success is driven by multiple factors. Often those factors include the ability to rationalize the considerable capital investment made by employers of new expansion projects. The capital investment is often in the millions of dollars and carefully evaluated by the company and their representatives. This evaluation not only includes various geographies that compete with one another but also the internal competition of the company of how and when to deploy their capital. The PEAK program, and economic incentives in general, are often the most succinct way our state can help address competition- both internal and external.

In Kansas, the PEAK program has been very successful at competing on our behalf. Previous Legislative Post Audit as well as the Alvarez & Marsal efficiency study have concluded that the Kansas Department of Commerce and the various incentive programs (including PEAK) have made positive returns for the state. Many states around Kansas are in the process of expanding or adding new economic incentive programs rather than restricting or reducing programs like PEAK.

In Wichita and south-central Kansas, the PEAK program has been a significant benefit to our success. Over the two years, the program has been instrumental in **over 900 jobs and \$50 million in new payroll**. Additionally, we have several active projects contemplating expansions with the PEAK program as part of their analysis. Combined those could create over **1,000 jobs and \$65 million in new payroll**.

The effectiveness and efficiency of state resources should always be evaluated by our State Legislature. The PEAK program has been measured repeatedly and found to be beneficial and responsible. At the local level, the program has been impactful to Wichita and essential for future projects.

On behalf of the Partnership, we fully support the PEAK program and oppose these proposals to limit its effectiveness. I would be happy to provide additional information or perspective at your request.

Sincerely,

Andrew Nave, CEcD
Executive Vice President

