

March 21, 2017

Madame Chair and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our 1,600 members, thank you for the opportunity to provide testimony in support of H.B. 2036, AN ACT concerning taxation; relating to certain income tax credits for graduates of aerospace and aviation-related educational programs and their employers.

H.B. 2036 is a much needed measure that would enhance our state's ability to compete for high paying jobs in an economic sector that Kansas once dominated. This legislation creates tax credits for employers and employees engaged in aerospace engineering.

People around the world refer to Wichita as the Air Capitol. In reality, Kansas is the Air Capitol, as airplanes and airplane parts are manufactured throughout our great state. In addition, multiple Kansas institutions of higher learning offer advanced degrees and certification programs related to aeronautics.

However, over the last decade Kansas has been challenged by numerous other states competing for our high paying aviation jobs. Sadly, we are not faring well in this fight. Attached to my testimony are charts and graphs showing the growth in aviation jobs in other states and the decline of aviation jobs in Kansas. The numbers are alarming and they demand action, such as provided in H.B. 2036, in order to prevent the continued rapid decline in high paying aviation related employment.

Between 2005 and 2015 Kansas saw aviation employment drop by 17%. Conversely, Oklahoma saw an increase of 91% and North Carolina saw an increase 120%.

Conventional wisdom seems to be that Kansas lost aviation related jobs during the Great Recession and that due to a sluggish demand for airplanes, the sector has not seen employment return to pre-recession levels. The fact of the matter is that these jobs have returned, they just haven't returned to Kansas.

Aviation firms are growing employment, but they are growing employment in states with better incentives and programs more inviting of their capital investment. This investment is in employees through very high wages and great benefit programs. It's also in infrastructure and real-estate and growth in supply chain firms. These states are reaping the economic benefits of their investments. Kansas should do the same.

With this mind, The Wichita Regional Chamber strongly urges the Committee to report H.B. 2036 favorable for passage.

Very truly yours,

Jam & Wasters

Jason Watkins

Kansas			Kansas				
	Total	Aerospace			Total	Aerospace	
2005	1,305,440	36,308	20	005	0%	0%	
2006	1,327,677	38,164		006	2%	5%	
2007	1,356,966	41,092		007	4%	13%	
2008	1,366,878	43,290		008	5%	19%	
2009	1,317,029	37,464		009	1%	3%	
2010	1,297,779	32,818		010	-1%	-10%	
2011	1,303,799	32,196		011	0%	-11%	
2012	1,320,285	32,409		012	1%	-11%	
2013	1,336,948	31,725		013	2%	-13%	
2014	1,357,090	30,479		014	4%	-16%	
2015	1,367,329	29,991		015	5%	-17%	
Georgia	1,507,525	23,331	Georgia		370	-1770	
Georgia	Total	Agrachaca	Georgia		Total	A = = = = = = = = = = = = = = = = = = =	
2005		Aerospace	2	205	Total	Aerospace	
	3,932,315	18,328		005	0%	0%	
2006	4,024,699	18,714		006	2%	2%	
2007	4,077,184	19,012		007	4%	4%	
2008	4,031,467	19,754		800	3%	8%	
2009	3,796,429	19,935		009	-3%	9%	
2010	3,753,934	20,181		010	-5%	10%	
2011	3,792,209	21,673		011	-4%	18%	
2012	3,841,767	22,002		012	-2%	20%	
2013	3,918,085	21,499		013	0%	17%	
2014	4,032,488	21,326		014	3%	16%	
2015	4,151,011	21,590		015	6%	18%	
North Carolina			North (aro			
	Total	Aerospace			Total	Aerospace	
2005	3,856,748	2,600		005	0%	0%	
2006	3,965,479	3,005		006	3%	16%	
2007	4,062,955	3,521		007	5%	35%	
2008	4,043,486	3,815	2	800	5%	47%	
2009	3,823,299	3,701		009	-1%	42%	
2010		3,515		010		35%	
2011	3,838,300	4,258		011	0%	64%	
2012	3,907,085	4,601		012	1%	77%	
2013	3,974,937	4,676		013	3%	80%	
2014	4,057,439	5,536		014	5%	113%	
2015	4,161,654	5,723		015	8%	120%	
Oklahoma			Oklaho	ma			
	Total	Aerospace			Total	Aerospace	
2005	1,465,969	3,677	2	005	0%	0%	
2006	1,507,196	4,537	2	006	3%	23%	
2007	1,534,802	5,226	2	007	5%	42%	
2008	1,550,489	5,595	2	800	6%	52%	
2009	1,497,855	4,901	2	009	2%	33%	
2010	1,485,400	5,030	2	010	1%	37%	
2011	1,507,558	5,600	2	011	3%	52%	
2012	1,540,292	6,218	2	012	5%	69%	
2013	1,560,799	6,687	2	013	6%	82%	
2014	1,582,712	7,085	2	014	8%	93%	
2015		7,013		015	9%		

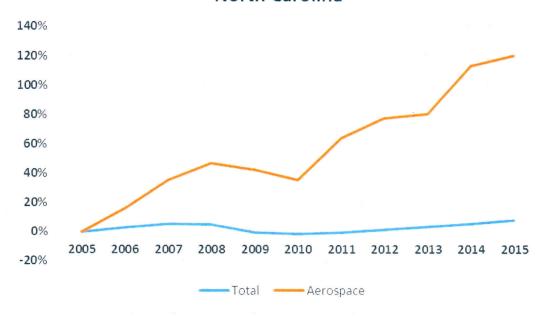




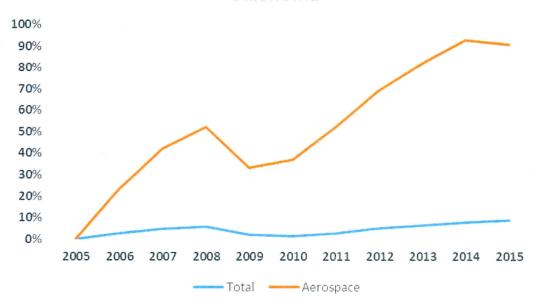
Georgia



North Carolina



Oklahoma





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Presented by:







More people moving out of Kansas, jobs are leaving too



By Avery Anderson (http://ksn.com/author/avery-anderson/)

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WICHITA, Kan. (KSNW) – A new study, released just this week by the United Van Lines, shows thousands of people are leaving Kansas for opportunities elsewhere. The study ranks Kansas number five on the list of the most people moving from states in 2016.

KSN wanted to know why. One reason is jobs. The city of Wichita has lost more than 15,000 aviation jobs in the last two years. Local companies have felt that impact.

"We definitely are seeing some jobs move out-of-state, out of the area," said Angie Duntz, Kansas Workforce Alliance.

According to Duntz, the past several years have been the hardest on the aviation industry.

"We know for a fact that 15,000 jobs in aviation have left to go to other markets," explained Duntz, and she said those jobs are not coming back.

"Several of the jobs were lost because of technology or corporate structure changes, but we have seen high wage jobs going to places like Dallas or Oklahoma City," stated Duntz.

The focus is now shifting to bring other industries to Kansas.

"It just means that we kind of have to redefine ourselves and look at other jobs and manufacturing industries and some of the other companies that are moving," said Duntz.

According to Duntz, right now, Healthcare and IT are the industries providing the most opportunities in Wichita.

And, with an average of 4,000 people a month visiting the Kansas Workforce Alliance site looking for jobs, Duntz is hoping there will be openings for them in the near future.

"So, we do see some hope that maybe some of that job loss will slow down," Duntz explained.

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