

SESSION OF 2009

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 120**

As Recommended by Senate Committee on  
Commerce

**Brief\***

SB 120 would allow program costs under the Investment in Major Projects and Comprehensive Training (IMPACT) Program to include wages for new or retained employees during education or retraining. The bill would continue to exclude the following items from receiving IMPACT financial assistance:

- Any costs that exceed 50.0 percent of the total program costs that are spent for the purchase or lease of training equipment;
- Any costs that exceed 10.0 percent of the total program costs that are spent for administrative expenses; and
- Any costs that exceed 10.0 percent of the total program costs that are spent for the direct institutional benefit of an educational and related workforce development institution.

**Background**

The IMPACT Program is designed to respond to the training and capital requirements of major business expansions. If there is a compelling economic benefit to Kansas, IMPACT funding also may be used for job retention projects. IMPACT consists of two subprograms: State of Kansas Investments in Lifelong Learning (SKILL) and Major Project Investment (MPI). SKILL may provide for the expenses related to training new and, under certain circumstances, existing workforces. MPI

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

may provide for the purchase or relocation of equipment, workforce recruitment, or building costs. The IMPACT Program is financed through tax-exempt bonds issued by the Kansas Development Finance Authority. These bonds are retired through the revenue received from statewide employer withholding taxes.

Proponent testimony was provided by the Secretary of the Department of Commerce, Security Benefit Corporation, the chambers of commerce for Lenexa, Overland Park, and Topeka, the Kansas Chamber, and the Kansas Economic Development Alliance. Proponents observed that the nature of the state's workforce and demands of industries has changed over time. Testimony indicated that the service sector is one of the fastest growing segments of the Kansas economy. Proponents believe that the bill would provide the state with greater flexibility to attract and retain businesses without adding to the overall size of the program's budget.

There was no opponent testimony against the bill.

The fiscal note prepared by the Division of the Budget indicates that the bill would not have an effect on the state's revenue or expenditures.