

Testimony of Daniel Assyia

Tax Director, Ash Grove Cement Company
Before the Committee on Assessment and Taxation
March 5, 2025 – 9:30 AM

SB # 283

Position: Oppose Sunset of KS HPIP

Testimony: Oral

Chair Tyson, Vice Chair, and Members of the Committee:

Good morning. My name is Daniel Assyia, and I serve as the Tax Director for Ash Grove Cement Company, a proud Kansas-based employer and a participant in the High Performance Incentive Program (HPIP) for over 20 years. I appreciate the opportunity to testify today in strong support of maintaining HPIP and to express our concerns regarding any proposal to sunset this program.

Ash Grove Cement has been a pillar of the Kansas economy for decades. Our Chanute Kansas plant has been one of the largest cement manufacturing facilities in the State since it began operations in 1908. The plant currently employs more than 172 direct jobs at our facility and hundreds more through our suppliers, transportation partners, and construction customers. Since the early 2000's when Ash Grove joined the HPIP program, we have invested hundreds of millions of dollars into our Chanute plant to promote the long-term viability of our operations.

HPIP has been a key driver of these investments, helping us remain competitive in a global industry while creating high-paying jobs for Kansas workers. Without this program, it would be far more difficult to justify making significant capital investments in Kansas, putting future expansion and job growth at risk.

But the value of HPIP extends far beyond our company, it directly benefits our customers and the construction industry as a whole. We supply cement to contractors, ready-mix producers, and infrastructure developers who rely on HPIP to incentivize major construction and expansion projects. Without this program, many of these projects may not happen, leading to fewer jobs and a slowdown in economic growth.

For example, thanks to HPIP, we have seen:

- Manufacturers expand their Kansas facilities, increasing demand for industrial concrete foundations and infrastructure.
- Warehouse and distribution centers use HPIP to justify investment in new construction, generating significant demand for our cement and supporting thousands of jobs in logistics and transportation.
- Commercial and retail developments, such as new business parks leverage HPIP to drive private investment and economic activity, fueling demand for building materials.

The impact of these projects goes beyond the construction phase. For every major project supported by HPIP, many direct and indirect jobs are created. Ash Grove itself has relied on HPIP to support workforce training and expansion efforts, ensuring that we can continue to employ highly skilled workers in Kansas.

Eliminating HPIP would put Kansas at a competitive disadvantage. Neighboring states offer similar incentives, and without HPIP, Kansas risks losing high-quality jobs and business investments to regions with more attractive economic policies.

HPIP is not just a tax incentive, it is a strategic tool for economic development that benefits manufacturers, suppliers, contractors, and the communities we serve. I urge this committee to reject the sunset proposal and keep HPIP intact. This program is a proven driver of growth, investment, and job creation across multiple industries.

Thank you for your time, and I would be happy to answer any questions.