



To: Senator Caryn Tyson and Members of the Senate Committee on Assessment and Taxation
From: Libbey Tucker, Senior Vice President of Economic Development
Overland Park Chamber of Commerce
Date: 5 March 2023
RE: Written Only Testimony in Opposition to SB 283

Senator Tyson and members of the committee, thank you for the opportunity to submit testimony in opposition to SB 283.

The High Performance Incentive Program (HPIP), the Promoting Employment Across Kansas (PEAK) and the Job Creation Fund are incentive programs that support our state's economic and workforce growth.

The Job Creation Fund (JCF) is a vital component of Kansas' economic development strategy, ensuring that our state remains competitive in attracting and retaining businesses. In today's highly competitive economic environment, states must actively compete for business investments. The JCF allows Kansas to remain a strong contender when businesses are evaluating location and expansion opportunities. Without this tool, Kansas risks losing major employers to other states that offer robust incentive packages.

HPIP and PEAK support growing businesses that need to employ more Kansans and/or train their employees with advanced skills that can benefit their workers for a lifetime of success. The programs ensure that the benefits are only available to employers offering better-than-average wages and are utilized for new and existing businesses. HPIP ensures those "high performance" projects, having at least \$1 million in capital investment in Johnson County businesses, are able to make those investments and

offering training to their workers. In the case of PEAK, the employer must also provide health care benefits to their full-time employees and pay at least 50% of that cost.

These programs are among the most popular in Kansas and they directly support workforce development. Since 2018, HPIP and PEAK have supported 271 projects in Overland Park. The benefits tied to HPIP have supported a capital investment of just under \$2 billion in that time frame. PEAK incentives have led to the creation of almost 10,000 jobs at the same time.

A strong economic development toolkit signals to businesses that Kansas is serious about growth and investment. Removing HPIP, PEAK and the JCF would weaken Kansas' position and send the wrong message to companies considering expansion or relocation.

Economic development incentives are a fundamental part of the national landscape, shaping where businesses choose to invest and grow. Eliminating effective incentives would put Kansas at a competitive disadvantage, especially as we compete with other states in an aggressive economic development environment. To attract and retain businesses, we must maintain the tools that drive investment, job creation, and long-term economic growth.

Economic development professionals must be armed with the proper tools to continue competing for jobs and skilled workers. Without these incentive tools, Kansas would be at a significant disadvantage in securing major business investments, job opportunities, and economic expansion. Now is the time to strengthen, not weaken, our economic development tools. Maintaining these programs is essential to ensuring Kansas remains a competitive and attractive destination for business growth. I ask that you reject this proposal.