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February 20, 2020

To: Chairman Steven Johnson and the House Taxation Committee:  
From: Trisha Purdon, Executive Director of Montgomery County Action Council  
Re: Written Testimony in Support of HB 2721

Dear Chairman Johnson and Committee members:

Thank you for the opportunity to provide testimony on HB 2721, which would extend the current sunset date of July 1, 2021 to July 1, 2023 for the Rural Opportunity Zone Program (ROZ). The reason that we support this extension is to ensure that the Kansas Department of Commerce and the new Framework for Growth Strategic Economic Development Plan has enough time to do a thorough analysis of the ROZ program, and to determine how this program can evolve to best assist Rural Kansas communities.

Montgomery County (population ~33,000) is a heavy manufacturing and trade county, and our economy consistently is one of the higher rural contributors to the Kansas Economy. However, as a border county, with nearby Oklahoma cities growing towards the Kansas border, we struggle to get our highest paying professionals to live in Kansas. Our industry in Montgomery County might be a large contributor to our economy, but the wages that these well paying employers are providing, are leaving our state every day. Thus, we can't fully realize the economic impact that these thriving businesses could provide to the State of Kansas.

Consistently, we hear from all of our area businesses that workforce recruitment is the number one issue facing their business. Although we know that rural Kansas is an amazing place to live, it is harder for our employers to recruit highly qualified candidates to this region without additional incentives to compete with neighboring states and urban areas with a wider range of amenities than a rural community might enjoy.

ROZ is an excellent tool that we depend on to help our rural businesses compete for these employees. We currently have over a hundred and twenty-five individuals that have signed up for the student loan forgiveness program in Montgomery County. However, without adequate marketing funding, local matching funding from foundations and employers for these participants, and active recruitment efforts to help fund this program on a local level this waitlist moves very slowly. Commerce is working on a solution to this problem, but it needs more time and work to determine what can be done to help counties like ours improve the outcomes and utilization of the ROZ program. For this reason, we support HB 2721 and the extension of the current sunset date. This will give this innovative program ample time to transition and grow into the program that it was intended to be.

Sincerely,

Trisha Purdon  
Executive Director  
Montgomery County Action Council