

Testimony before the Senate Assessment and Taxation Committee
re: House Bill 2118
Tuesday, March 10, 2020
Support for Aviation Employee Tax Credit

Chairwomen Tyson and Fellow Committee Members,

Today in Wichita, Kansas we are announcing that Textron Aviation, WSU Tech and the International Association of Machinists and Aerospace Workers are launching an aerospace tooling apprenticeship. A new program that will build critical aircraft production talent pool in Wichita. This apprenticeship program will address long-term production and tooling requirements for the company's aircraft programs and help maintain Wichita's status as one of the world's major aerospace clusters.

The two-year program, the first of its kind in the region, will provide students both factory and classroom training in a wide range of skills needed to help design, build and maintain production tooling, which covers everything from specialized hand-held tools to large jig assemblies supporting aircraft parts and assemblies. As Textron Aviation employees, program participants will not only earn a full-time salary and benefits, but the company will also cover related tuition and fees at WSU Tech.

With nearly half of our current tooling workforce eligible for retirement within the next 10 years, it is critical for the region that a program like this exists to retain the productiveness and quality of the aviation industry. In Sedgwick County nearly half (45%) of those currently employed in tooling are over the age of 55 years old.

For the very reason we have taken this initiative, support for the Aviation Employee Tax Credit is imperative.

As the world's largest manufacturer of general and business aviation aircraft, Textron Aviation is proud to call Kansas home. The Beechcraft and Cessna brands have benefited from the exceptional contributions of a highly skilled Kansas workforce for more than nine decades. Today, Textron Aviation products account for more than half of all general aviation aircraft flying. Our company boasts the most versatile and comprehensive general aviation product portfolio in the world. Our broad range of products include such best-selling aircraft as Citation business jets, King Air and Caravan turboprops and T-6 military trainer aircraft, all of which are backed by the industry's most capable global service network.

Importantly, more than 10,000 of our employees live and work in Kansas. The continued strength of our business relies on the unmatched skill of our advanced manufacturing workforce and innovative thinking that keeps our new product development efforts robust. Our success as a company is impacted by our ability to attract and retain highly skilled and professional employees. To keep pace with attrition and meet our current production plans, the company is recruiting skilled and professional employees now. We are actively hiring for many skillsets across the company, including direct manufacturing jobs such as machinists, sheet metal assembly, avionics technicians, fabrication, paint, composites, and airframe and powerplant (A&P) mechanics. During 2018 we hired nearly 1,000 employees to support our current production plans, and that pace of hiring continues.

With very low unemployment, negligible Kansas population growth, an aging skilled workforce and fewer candidates choosing manufacturing and technical careers, the competition for employees is tightening. As a business we continue to win in the area of product innovation. As a state, however, we continue to lose in the area of talent. Regrettably, the very state that pioneered and continues to lead the world in aviation manufacturing is not leading in the area of talent attraction. Rather, Kansas is lagging.

States like Oklahoma and North Carolina have seen tremendous success in attracting new aviation-related businesses and skilled employees to their states during the past decade, thanks to programs similar to HB 2118. These states decided to be aggressive in creating innovative solutions to attract talent and their economies have grown in response. Kansas must invest now to win the war on talent.

Your leadership in providing the investments required to ensure we are engaging and equipping the next generation of highly skilled and professional employees is essential as we, together, lay the groundwork for another nine decades of prosperity for our company, our state and our valued workforce.

Stephanie Harder
Director, Corporate Communications & Public Affairs