

115 S. 6th
P.O. Box 588
Independence, KS 67301



Phone (620) 331-3830
Fax (620) 331-3834
www.actioncouncil.com

March 17, 2021

To: Chairman Kelly and members of the Committee:
From: Trisha Purdon, Executive Director of Montgomery County Action Council
Re: Written Testimony in Support of HB 2431

Dear Chairman Kelly and Committee members:

Thank you for the opportunity to provide both verbal and written testimony on HB 2431. I serve as the Economic Development Director for Montgomery County, Kansas with the Montgomery County Action Council. Over the past 7 years, the Rural Opportunity Zone (ROZ) program has been an important workforce development tool that has helped our area employers recruit and retain highly sought-after employees in key positions such as healthcare, education, technology, and manufacturing. Over the past several months, myself, as well as several other economic development professionals, Legislators, and Commerce staff worked together to update this program to address the challenges that the current ROZ program has. This is why we are providing testimony in support of HB 2431, as this bill improves the key challenges that ROZ counties like Montgomery County have had over the past 7 years.

Montgomery County (population ~33,000) is a heavy manufacturing county, and our employers are consistently 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 provides a lot of jobs in the region, 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. This issue is compounded when there is also a lack of available housing for this workforce. We need a versatile tool to help recruit skilled employees to rural Kansas that can address each county's needs as we work to slow and ideally stop the current population drain. Adding programs such as marketing support, down payment assistance, housing development, and including the technically trained retention aspect of this program will allow each county to customize their use of ROZ that will best fit their community, and grow the Kansas economy.

We have heard from many key employees of area businesses that they have chosen to live in Oklahoma rather than Kansas due to the availability of housing or lower taxes. We believe that the new down payment assistance program combined with the housing assessment and development program will begin to make rural Kansas communities finally become truly competitive when our area employers are recruiting new employees. In the last few years, our area has seen employment growth, from the new Phoenix Logistics facility, to the expansion of Standard Motor Products in Independence, Kansas. We need a program that helps recruit these technically trained employees, and keep them living and contributing to our local communities. This updated ROZ program will not only help us recruit these workers, but will help retain them for the long-term.

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, and we are hopeful that this new edition will not only address the previous challenges that faced existing ROZ counties, but will help Kansas communities better utilize the program to start growing our rural communities again.

Thank you for the opportunity to provide testimony in support of HB 2431. We are excited for this new program and are hopeful that we can see the benefits of this innovative program quickly in our communities. Please do not hesitate to contact me with any questions regarding my testimony today.

Sincerely,



Trisha Purdon
Executive Director
Montgomery County Action Council