

# KANSAS ECONOMIC GROWTH ACT

April 2004

On April 2, the Kansas Legislature overwhelmingly endorsed a bold set of strategies to strengthen and stimulate the state's economy. This set of initiatives, called the *Kansas Economic Growth Act*, reflects efforts put forth by the Administration and legislative leaders to meet the needs of the changing Kansas economy. **Over the next decade, the programs contained within the Economic Growth Act will provide economic development incentives through various funding mechanisms to grow emerging industries, serve existing employers, attract new businesses, and support small businesses in urban and rural communities.**

These new economic development tools reflect the priorities identified during seven Prosperity Summits held across Kansas in 2003. Those regional planning sessions involved more than 1,500 community and business leaders under the leadership of Governor Sebelius and Lt. Governor Moore. The elements of the state economic revitalization strategy are as follows:

## 1. BIOSCIENCES

A groundbreaking investment in this important new area of the economy will be established by the creation of a **Bioscience Authority and Emerging Industry Investment Fund** (worth more than \$500 million over 15 years) to develop a prominent bioscience industry in Kansas. Creation of more than 20,000 new bioscience jobs is anticipated as a result of this new incentive program over the next decade.



## 2. ENTREPRENEURSHIP

The **Kansas Center for Entrepreneurship** and the **Kansas Community Entrepreneurship Fund** are established to ensure collaboration of resources for entrepreneurial assistance and to ensure capital is accessible to entrepreneurs from rural and low-income communities. It is estimated that this Center will generate close to \$3 million for business development within five years.

### The Economic Growth Act addresses the following priorities:

1. BIOSCIENCES
2. ENTREPRENEURSHIP
3. RURAL DEVELOPMENT
4. WORKFORCE DEVELOPMENT
5. ENHANCED STATE IMAGE
6. KANSAS MILITARY INSTALLATIONS

The act also develops an **Angel Investor Tax Credit Program** (worth \$20 million over 10 years) to encourage new business start-ups and provide seed financing for business development.



## 3. RURAL DEVELOPMENT

The **Rural Business Development Program** (\$7 million in tax credits over three years) will encourage individuals and businesses to invest in regional foundations in each of seven economic development regions in Kansas. This investment, worth \$14 million in cash donations, will

provide capital for entrepreneurial efforts in rural communities, ensure regional determination for use of the funds, and encourage local investment in the region's economic future.

The **Kansas Downtown Redevelopment Program** will encourage entrepreneurs to locate their businesses and invest in central business districts, as well as distressed neighborhoods, by offering property tax relief in areas designated by local governments.

The FY2005 budget continues the state's financial support of **Enterprise Facilitation**. This innovative approach to small business and community development is active in 25 rural counties throughout western, central, and eastern Kansas.



#### 4. WORKFORCE DEVELOPMENT

**Modernization of Workforce Development** is a once-in-a-generation restructuring of the state's training programs to create a seamless, market-driven system to meet the needs of employers in Kansas. This initiative also develops a new trust fund to redirect state resources in order to create centers of excellence and required capacities at community and technical colleges.



The Governor addressed the following important economic development priorities in the FY2005 State Budget.

#### 5. ENHANCED STATE IMAGE

A significant increase in state funding to establish and market a durable, flexible, and dynamic image of Kansas that supports economic development programs, tourism activities, and regional marketing efforts.



#### 6. KANSAS MILITARY INSTALLATIONS

The Governor's Strategic Military Planning Commission has been created and funded to secure and grow the important economic and homeland security interests represented in the state's military installations. The Governor's Commission will be actively involved with the Department of Defense as it looks to reduce the military footprint by 25 percent through the Base Realignment and Closure process. Kansas military installations generate \$2 billion in annual economic activity.



The incentives developed for this act were announced at the State Prosperity Summit held in October 2003. These initiatives were driven by priorities identified at seven regional sessions held prior to the statewide summit.

#### 2003 STATE PROSPERITY SUMMIT REGIONAL LEADERS

##### **Southeast Region Chair**

Gene Bicknell, Founder  
*NPC International, Inc.*

##### **South Central Region Co-Chairs**

Steve Rooney, President  
*Intl. Assoc. of Machinist & Aerospace Workers*  
Charlie Johnson, President and CEO  
*Cessna Aircraft Company*

##### **Southwest Region Co-Chairs**

Steve Irsik, Co-Owner  
*Irsik & Doll Farms and Ranches*  
Donna Shank, Vice President  
*Al Shank Insurance, Inc.*

##### **Northwest Region Chair**

Larry McCants, President  
*First National Bank*

##### **North Central Region Chair**

Dale Davis, President and CEO  
*Sauder Custom Fabrication, Inc.*

##### **Northeast Region Chair**

Kris Robbins, President and CEO  
*Security Benefit Group*

##### **East Central Region Co-Chairs**

Mal Warrick, Plant Manager  
*Proctor & Gamble*  
Jim Cole, Vice President  
*Employers Reinsurance Corporation*