

Kansas Department of Commerce Department Overview, Special Initiatives, and List of Incentives and Programs

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Overview

As the state's lead economic development agency, the Kansas Department of Commerce strives to empower individuals, businesses and communities to achieve prosperity in Kansas. To this end, the Department comprises a variety of programs and services that create jobs, attract new investment, provide workforce training, encourage community development and promote the state as a great place to live and work. This is accomplished through the Department's three major Divisions:

- **Business and Community Development.** As of Feb. 1, the Department will combine the Business Development Division with the Rural Development Division to form a new entity, which will focus on growing the Kansas economy and strengthening the state's communities. This will be done by:
 - The creation and retention of jobs and capital investment, through recruiting new companies and helping existing companies grow.
 - Using various community development programs (such as the Community Development Block Grant) and the Rural Opportunity Zones program to make Kansas communities, especially in rural areas, economically strong and vibrant.
- **Trade Development** works with Kansas companies to help them sell their products and services in international markets and also helps recruit international businesses to establish facilities and create jobs in the state.
- **Workforce Services** links businesses, job candidates and educational institutions to ensure that employers can find skilled workers.

The Department also oversees two Commissions:

- The **Kansas Athletics Commission** promotes and regulates the state's combat sport industry by regulating and facilitating high-quality competitive sporting events.
- The **Kansas Film Commission's** goal is to increase film opportunities in Kansas, thereby producing new revenues and industry jobs and to encourage and support the local film industry.

Fiscal Year 2012 Budget

Revenue Sources	Governor's Recommendation (in millions)
State General Fund	15.0
Economic Development Initiative Fund	18.2
Federal Funding	80.0
Special Revenue	62.1
Total	175.3

Fiscal Year 2013 Budget

Revenue Sources	Governor's Recommendation (in millions)
State General Fund	16.0
Economic Development Initiative Fund	15.4
Federal Funding	64.9
Special Revenue	50.9
Total	147.2

Business Development Successful Projects – By Fiscal Year

(Capital Investment in millions; 2012 results are YTD)

Year	Projects	Total Jobs	New Jobs	Retained Jobs	Capital Inv.
2010	124	16,642	14,047	2,595	1,088.1
2011	115	11,874	5,805	6,069	542.6
2012	80	8,367	6,848	1,519	1,512.1

Top 10 Most Successful Projects (Jan. 1, 2011-Jan. 23, 2012)

Project	Jobs Created	Capital Inv. (in millions)
MIQ Logistics, Leawood	510	25
New Millennium WE, Newton	450	52.7
Mars North America, Topeka	425	580.0
Dex One Corp., Overland Park	412	9.0
AMC Theatres, Leawood	382	60.0
Mariner Wealth, Leawood	307	5.7
Rubbermaid, Winfield	200	26.6
United Lex Corp., Overland Park	166	5.1
Shamrock Trading, Lenexa	132	0.5
Caterpillar, Wamego	120	37
Total	3,104	801.6

Media Accolades and Rankings

The state's recruitment and retention/expansion success earned the state wide media coverage and exposure among site location consultants nationwide. The state was recognized by several major media outlets, surveys or publications for business excellence in Fiscal Year 2011. Key media accolades and rankings include:

- Kansas was ranked fifth in the nation in biotechnology strength by *Business Facilities* magazine. The ranking was a major leap forward for the state, which ranked ninth in the biotech category in 2009 and tied for 10th in 2008.
- The state won *Area Development Magazine's* Silver Shovel Award for 2011, which recognizes state economic development agencies that drive significant job creation through a variety of innovative policies. This is the fifth time in six years the state has won this award.
- Kansas was ranked sixth most competitive state in the nation for capital investment and new facility development by *Site Selection* magazine, a leading publication for site location consultants. Kansas was ranked 10th last year, and this is the third consecutive year the state has made the top 10 ranking.
- Kansas ranked 10th in *Forbes* magazine's "Best States for Business" report, up from last year's rank of 15th best. The state scored particularly well for its regulatory environment and economic climate, finishing 11th and 13th, respectively.
- The state was ranked as the sixth best "Pro-Business State" by Pollina Corporate, a nationally recognized real estate company.

Kansas Exports Update

Kansas exports for 2011 (through November) were \$10.6 billion, which is 17.8 percent ahead the same period in 2010. This activity makes Kansas exports in 2011 the second highest on record, even without including December figures. The highest export activity on record is \$12.5 billion in 2008.

The Trade Development Division continues to see a high volume of activity and requests for assistance from Kansas businesses and foreign companies looking to buy Kansas goods. The activity and requests cover various industries, including aviation, agriculture and alternative energy.

Top Five Countries for Kansas Exports	Amount (in millions), as of Nov. 2011
Canada	2,400
Mexico	1,500
Japan	617
China	594
Nigeria	531

Top Five Export Products	Amount (in millions), as of Nov. 2011
Aircraft, Spacecraft and Parts	10,604.7
Cereals	1,905.0
Industrial Machinery (includes Computers)	1,101.6
Meat and Edible Meat Offal	933.9
Electric Machinery and Parts	636.2

Successful International Investment Projects (Jan. 2011-Jan. 2012)

The Division continues its efforts to have foreign firms directly invest in the state by establishing new facilities or expanding existing operations. Results from January 2011 to date include 10 international projects resulting in 676 new and retained jobs, and \$83.3 million in capital investment. Some of those projects include:

Project Name/City	Total Jobs	New Jobs	Retained Jobs	Capital Investment (in millions)
CEVA Biomune, Lenexa	45	20	25	1.2
Argenta, Lawrence	38	38	-	0.788
Prathista, Manhattan	35	35	-	14.0
API Foils, Lawrence	17	17	-	0.225
Wurth Service Supply, Wichita	10	10	-	0.825

Special Initiatives

Broadband Outreach

While Kansas ranks seventh in residential internet usage (based on data from the U.S. Commerce Department), the state continues to face challenges in coverage, speed and internet adoption. In order to address these challenges, the Department is partnering with communities, government officials, the private sector and the National Telecommunications and Information Administration to analyze the state's broadband footprint and to encourage Kansans to use the internet to help grow the state's economy.

Career and Technical Education

The Department will work with other agencies to carry out the Brownback Administration's efforts to increase the percentage of students who are career and college ready upon high school graduation. Gov. Brownback has proposed \$20.5 million for student tuition; school transportation costs; incentives to high schools for certificates earned in key occupations; and marketing to increase participation in these programs. The Department is utilizing the WorkReady Certification as a foundation for adding additional certifications to it.

Disability Employment

The Department is partnering with the Department of Social and Rehabilitation Services, Medicaid and other agencies in support of the Brownback Administration's work to transition individuals with disabilities on Medicaid and other services back to work when possible. Recently a work survey went to more than 20,000 individuals with disabilities in an effort to learn about their career interests, abilities, etc. Workforce Center staff will contact those interested to discuss work assessments, job opportunities and other supportive services. The Department also will work with Vocational Rehabilitation services. In addition, Gov. Brownback has recommended \$500,000 for a new Department program to provide incentives for companies to employ and train individuals with disabilities. The program will provide employers with \$5,000 for each new hire who is currently receiving Medicaid developmental disability waiver services and \$3,000 for each new hire who is currently receiving Medicaid physically disabled services.

H1-B Technical Skills Training Grants

This grant can be used by employers for on-the-job training to support the hiring of new engineers. The individuals eligible for training under the grant can be both recent graduates not currently employed in the field and other dislocated or unemployed engineers who meet educational prerequisites but may lack the specialized skills and experience necessary for a particular engineering job opportunity. Employers can receive up to \$25,000 per individual to reduce the costs of training an engineer to fill a particular position. Use of this funding is intended to reduce the number of H-1B visa hires and to create greater opportunities for Kansans and other eligible participants.

Keeping Kansas Competitive Engineering Initiative

This initiative will be used by the state's professional engineering programs at Kansas State University, the University of Kansas and Wichita State University to address the need for more engineers by business and industry in the state. From 2012-2021, \$3.5 million per year in state funds will be provided for each engineering school, with a dollar-for-dollar match provided by the universities to ensure Kansas businesses have access to the engineering talent they need to fuel economic growth. The colleges will use this investment to implement plans to increase engineering graduates to 1,365 per year by 2021.

Mississippian Lime Play (aka Fracking)

The Department is part of an interagency working group to examine the opportunities and challenges presented by the Mississippian Lime Play. Other agencies in the working group are the Kansas Corporation Commission, Department of Agriculture, Water Office, Department of Health and Environment, Department of Transportation and the Housing Resources Corp. The Kansas Independent Oil and Gas Association also is part of the group.

NGA Manufacturing Initiative

The National Governors Association (NGA) has chosen Kansas as one of seven states selected to participate in the organization's Policy Academy on developing strategies to expand advanced manufacturing industries. The initiative is called "Making" our Future: Encouraging Growth Opportunities in Manufacturing through Innovation, Entrepreneurship and Investment. Kansas, through the Department and the Mid America Manufacturing Technology Center, applied to be considered for the initiative in fall 2011. The Department cited the state's immense opportunities for growth in advanced manufacturing and the efforts of the Brownback Administration to develop new tools and strategies for economic development.

Regional Economic Area Partnership (REAP) Update

The Department completed the deployment in November 2011 of \$4.75 million to Sedgwick County through the Affordable Airfares program and is awaiting confirmation of matching funds for the \$250,000 award to Garden City. The Department is working with REAP to develop a memorandum of understanding that outlines the process of an independent, third-party review of financial reports submitted by REAP, as well as analysis of the data used by REAP. At the present time, the Department and REAP are working to complete a timeline of when this information will be completed and available to the Legislature. As directed by the Legislature, the Department is taking an active role in the review and certification process of the Affordable Airfares program and continues to work with REAP partners to complete this process.

Rural Opportunity Zones (ROZ)

ROZ provides incentives to help recruit people to rural Kansas. The law designates 50 counties in Kansas as ROZ and provides two incentives: a total state income exemption for five years for individuals who relocate to those counties from out of state, and a state-matching program with counties to repay student loans up to \$15,000 for qualifying individuals.

As of December 2011, 44 counties have partnered with the state in the student loan repayment program, and 168 people have applied to the program, with 72 approved and 70 pending. Counties have budgeted almost \$386,000 for student loan repayments. Twenty-one of those approved individuals have moved from outside the state from Arkansas, Colorado, Kentucky, Nebraska, Oklahoma and Ohio. The approved applicants' professions include education; healthcare (nurses, physicians and chiropractors); engineers; and veterinarians. At least three of the approved applicants intend to start businesses in their new counties.

State Trade and Export Promotion (STEP) Grants

The departments of Commerce and Agriculture have been awarded a grant of more than \$505,000 from the U.S. Small Business Administration (SBA) through STEP. The grants provide companies with assistance in expanding existing international markets or for entering into new export markets.

Veterans Workforce Initiatives

As many of our service personnel return home, the state should be prepared to help connect them directly to jobs, provide them with additional education and training for in-demand jobs, or provide them with additional workforce services as needed. The Department, along with other key agencies, is leading this effort. Key items include coordinating communication and marketing efforts between the multiple organizations that interact with veterans, working with the Board of Regents (Tech Ed Authority) to develop industry-led credentials and training to get veterans back to work more quickly.

Incentive, Tax, Training and Grant Programs

Certified Development Companies (CDC)

This program assists businesses by developing loan packages that meet the financial needs of a project. These packages often contain multiple sources of project funding, thus providing the small business customer with the best combination of rates and terms possible. Each CDC has an area of operation in which it focuses its efforts on serving the small-business community. The state provides financial support to augment these efforts.

Community Capacity Building (CCB)

This grant program is designed to support collaborative community development planning activities in Kansas cities or counties under 50,000 in population. Collaborative community development planning implies that the community has formed both an active partnership among the key community-based organizations dedicated to developing a shared vision for the future and a plan of action to achieve that vision.

Community Development Block Grant (CDBG) Program

CDBG allows the Department of Commerce to distribute federal funds to Kansas cities and counties looking to improve their community. To receive funds, a project must meet at least one of the following federally mandated criteria:

- The project benefits low- and moderate-income individuals.
- The project removes or prevents slum or blight condition.
- The project eliminates an urgent need created by a disaster when local funds are unavailable.

Community Service Program (CSP) Tax Credit

The CSP program has given nonprofit organizations a way to improve their ability to undertake major capital fund-raising drives for various projects. Projects eligible for tax credit awards include community service, crime prevention and health care. Tax credit awards are distributive through a competitive application process. Based on the scope and cost of the proposed project, applicants may request up to \$250,000 in tax credits. Applicant organizations in rural areas (less than 15,000 population) are eligible for a 70 percent credit. Applicant organizations in non-rural areas are eligible for a 50 percent credit.

Early Childhood Associate Apprenticeship Program (ECAAP)

This program is an innovative certification program that serves individuals working in childcare and early education. ECAAP provides workers with quantifiable skills and portable, industry-recognized credentials that meet Kansas' early care and education requirements. It combines related technical and theoretical instruction with planned on-the-job-training under the supervision of a skilled mentor.

Economic Development Grants

This program provides loans to cities or counties for gap financing for private businesses that create or retain permanent jobs. Eligible activities include infrastructure, land acquisition, fixed assets and working capital. At least 51 percent of the jobs created or retained by the for-profit entity must meet the U.S. Department of Housing and Urban Development's low- and moderate-income standard.

Some repayment is required for all economic development categories. Grants are made to cities and counties, which then loan funds to developing businesses. Repaid funds are returned to the state revolving loan fund. Funds may also be used for infrastructure on a loan/ grant basis. The funding ceiling is \$35,000 per job created or retained with a maximum of \$750,000. Matching funds are required.

Energy Incentives

The Department of Commerce offers a diverse portfolio of financial incentives to Kansas businesses and producers engaged in conventional and renewable energy production:

Traditional Energy

- Crude Oil or Natural Gas Pipeline Tax Credit
- Refinery Tax Credit

Renewable Energy

- Biodiesel Fuel Producer Incentive
- Carbon Dioxide Capture/Sequestration Incentive
- Ethyl Alcohol Production Incentive
- Kansas Retail Dealers Incentive
- Waste Heat Utilization System Incentive
- Wind and Solar Bond Financing Incentive (Economic Revitalization & Reinvestment Act)

Tax Credits

- Alternative-Fuel Fueling Station Tax Credit
- Alternative-Fueled Motor Vehicle Tax Credit
- Renewable Electric Cogeneration Facility Tax Credit (Kansas Energy Development Act)
- Storage and Blending Equipment Tax Credit (Kansas Energy Development Act)

Economic Revitalization and Reinvestment Act

This incentive allows the Secretary of Commerce to approve the issuance of up to \$33 million in bonds for eligible aviation projects and up to \$5 million in bonds for eligible wind or solar manufacturing projects. The bonds are used for capital costs associated with the project and repaid with employee withholding taxes.

Entrepreneur Technology Program (ETP)

~~Formerly Kansas Technology Enterprise Corp. (KTEC)~~

This program assists Kansas entrepreneurs and technology companies by providing intellectual property, technical expertise, research and other services designed to help new and existing technology companies grow and succeed. The Program was created on July 1, 2011, as a partnership between the Kansas Department of Commerce and the statewide network of organizations that were part of the network formerly operated by KTEC. While the program exists to help entrepreneurs and companies, its ultimate goal is to bring new technology jobs to Kansas.

Expensing Tax Deduction

Kansas introduced a new expensing deduction that can be used by companies to purchase business equipment and machinery (including software) that is available to all businesses, regardless of size.

Federal Bonding Program

The Federal Bonding Program provides individual fidelity bonds to employers for job applicants who are (or may be) denied coverage because of:

- record of arrest, conviction, or imprisonment
- history of alcohol or drug abuse
- lack of employment history

- dishonorable discharge

Each bond is for \$5,000 coverage for six months. Coverage is provided at no cost to the employer or job applicant.

Foreign Labor Certification

This certification program qualifies an employer to hire foreign or alien workers if an employer cannot find qualified and available U.S. workers to fill vacancies.

High Performance Incentive Program (HPIP)

This program provides a 10 percent income tax credit for eligible capital investment that exceeds \$50,000 (\$1 million in five metro counties) at a company's facility, with a carry forward that can be used in any of the next 15 years in which the qualified facility re-qualifies for HPIP. This program also features a sales tax exemption to use in conjunction with the company's eligible capital investment at its qualified facility; a training tax credit up to \$50,000; and priority consideration for access to other business assistance programs.

Incentive Without Walls

Available to designated Kansas Main Street downtown areas, funds are available in two competitive rounds and one open round each year. Funding maximum is \$20,000 per community, per round. Funds may be used for a variety of downtown business needs. Loans are encouraged over grants.

Individual Development Account (IDA) Program Tax Credit

IDA is an asset-building strategy established to promote self-sufficiency through asset-development for low-income Kansans in a matched-savings program. The tax credits will be used to leverage donations that will serve as a match for individual savings in a development account. Savings accrued in IDAs will be used for home ownership, residence repairs, business capitalization and post-secondary education.

Job Creation Fund (*replaces the Kansas Economic Opportunity Initiatives Fund (KEOIF)*)

The Department of Commerce will use this fund to attract new companies to Kansas. The fund will use 2 percent of all Kansas employee withholding taxes that is not currently necessary for debt service on existing bonds or program administration for the fund.

Jobs and Innovative Industry Stills (JIIST) Grant

This grant is awarded to institutions to develop innovative programs with private companies that need workers with specific jobs skills or to meet other industry training needs. The target of JIIST funds is high-growth, high-wage and highly skilled occupations with higher than average job vacancy rates or projected growth rates. Institutions receiving funds have created a plan that includes a strong partnership and alignment with industry and public workforce system, and integrates the workforce priorities of the state.

Kansas Department on Aging Grant

Grant dollars will support a portion of the costs of related technical instruction for apprentices in Medicare/Medicaid nursing facilities or long-term care units of hospitals who sponsor a health support specialist (registered apprenticeship) program.

Kansas Disability Employment Initiative (DEI) Grant

The Kansas DEI will develop and implement sound recruiting, training and placement practices for people with disabilities based on the similar and soon-to-be expired federal Disability Program Navigator initiative. Program partners will provide services, resources and support for program participants.

Kansas Downtown Redevelopment Act

This program encourages 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, which are subsequently reviewed and approved by the Department of Commerce.

Kansas Enterprise Facilitation

Enterprise Facilitation is designed to utilize the intelligence found in communities, train a broad spectrum of local citizens and generally increase local capacity to help communities develop new small businesses. Community Development Block Grant technical assistance and state EDIF funds have been used to train local citizens, hire an enterprise facilitator and build capacity within a large community enterprise board.

Kansas Enterprise Zones (This program not available to new companies after Jan. 1, 2011.)

This program is designed to encourage businesses to create new jobs. Enterprise Zones incentives are available to qualified businesses throughout Kansas, based on the location of the facility, the type of facility (manufacturing, non-manufacturing or retail), the capital investment made and the number of jobs created. A sales tax exemption is available on materials, equipment and services purchased when building, expanding or renovating a business facility. State income tax credits are available for job creation and capital investment. Earned credits may be used to offset up to 100 percent of a company's annual state income tax liability.

Kansas Industrial Retraining (KIR)

This program is a job retention tool that helps employees of restructuring companies who are likely to be displaced because of obsolete or inadequate job skills and knowledge. Eligible industries include basic enterprises that are restructuring operations through incorporation of new technology, diversification of production or the development and implementation of new production activities. At least one current employee must be trained to qualify for assistance.

Kansas Industrial Training (KIT)

The KIT program may be used to assist firms involved in both pre-employment and on-the-job training. Pre-employment training may be used to allow the company and prospective employees an opportunity to evaluate one another before making employment commitments. Prospective employees are given the knowledge and specific skills necessary for job entry. On-the-job training is conducted after hiring. Trainees may receive instruction on the company's own production equipment on the plant floor or on similar machinery in a classroom setting.

Kansas International Trade Show Assistance Program (KITSAP)

This program helps introduce Kansas companies to foreign markets through participation in international trade shows. Eligible companies are those whose products or services originate in Kansas or whose products receive substantial value-added processing in Kansas. After the company attends a trade show, the program will reimburse one-half of a company's eligible direct expenses, up to \$3,500 per show. A company may not exceed \$7,000 in total combined financial assistance during a state fiscal year. KITSAP will only consider trade shows where the applicant is exhibiting for the first time or has a new technology/product that is being introduced into that market for the first time.

Kansas Health Profession Opportunity Project (KHPOP) Grant

KHPOP partners will use these grant funds to provide healthcare education, training and employment for 2,500 TANF recipients and other low-income individuals statewide over five years. The KHPOP features several innovative elements: career coaches, monetary incentives for GED completers, financial assistance for employers, high-definition video conferencing, Work Opportunity Tax Credit and Federal Bonding.

Kansas Main Street

This program provides management training, consultation visits, local program evaluation, design assistance, business enhancement strategies, incentive dollars and continuous training in the four-point approach for board, committee members and program directors. Kansas Main Street is a self-help program. Staff provides technical assistance, but the responsibility and credit for success rests with the community leaders who offer time, expertise and enthusiasm to revitalizing a downtown.

Kansas Partnership Fund

The Kansas Partnership Fund is a program to provide low-interest State funds to cities and counties for infrastructure improvements that support Kansas basic enterprises. Partnership Fund loans are designed to assist city and county governments in their efforts to attract new businesses and expand existing businesses. Eligible projects may include the construction, reconstruction, rehabilitation, alteration, expansion, or improvement of public facilities including, but not limited to roads, streets, highways, storm drains, water supply and treatment facilities, water distribution lines, waste water collection lines, and any related improvements. These improvements must directly lead to the creation of new jobs in Kansas basic enterprises.

Kansas Small Towns Environment Program (KAN STEP)

KAN STEP is an ongoing, competitive self-help program for communities to address water, sewer and public building needs through greater initiative and with fewer dollars. Communities must demonstrate readiness (perception of the problem and willingness to take action to solve it), capacity (human resources to solve the problem) and documented cost savings. These grants require the use of volunteers to match Community Development Block Grant funds. A 40 percent savings must be demonstrated to be eligible. The maximum amount awarded for this grant is \$300,000, with a funding ceiling of \$2,000 per beneficiary. The funding is by annual competition. Funding is targeted to professional services and materials.

Kansas WorkReady! Certification

This certification is based on the nationally recognized certification process from ACT WorkKeys that shows workers have learned skills in three areas – reading, locating information and mathematics. The certification comes in a platinum, gold, silver or bronze level.

Manufacturing Skills Certification

This program is an industry-recognized certification that show potential employees have the basic skills necessary to work in advanced manufacturing and production occupations.

Minority and Women Business Development

This office in the Department of Commerce promotes business development with a focus on minority- and women-owned businesses. Information and referrals are provided in the areas of procurement, contracting and subcontracting, financing and business management. The office also partners with other business advocates to sponsor business education workshops and seminars. A statewide directory of minority- and women-owned businesses is published by Commerce to assist those searching for businesses, products and services. This office also administers the Kansas Statewide Certification Program, where women and minority businesses can be certified as a Disadvantaged Business Enterprise (DBE), Minority Business Enterprise (MBE), and Women Business Enterprise (WBE).

National Emergency On-the-Job-Training (OJT) Grant

Grants are focused on providing OJTs for dislocated workers, in particular for those hard-to-serve populations with the greatest barriers to reemployment. Dislocated workers must have been laid off on or after Jan. 1, 2008, and be prolonged unemployed (19.3 weeks or longer). The OJT is based on an agreement between the local workforce investment board and employer providing training at its worksite. OJT opportunities must be within the private and private non-profit sectors, not the public sector.

Neighborhood Stabilization Program (NSP)

NSP was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is being realized.

NSP1, a term that references the NSP funds authorized under Division B, Title III, of the Housing and Economic Recovery Act (HERA) of 2008, provides grants to all states and selected local governments on a formula basis. NSP2, a term that references the NSP funds authorized under the American Recovery and Reinvestment Act of 2009, provides grants to states, local governments, nonprofits and a consortium of nonprofit entities on a competitive basis. NSP3, a term that references the NSP funds authorized under the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, provides a third round of neighborhood stabilization grants to all states and select governments on a formula basis.

Older Kansas Employment Program (OKEP)

OKEP is designed to provide Kansans 55 and over with employment placement services with emphasis on employment in the private sector. Priority is given to unemployed older Kansans who are most in need. OKEP provides skills assessment, resume preparation, counseling, job-seeking skills training, classroom training, job clubs, counseling, referrals, job development services and mentoring services.

PRIDE Program

This is a community-initiated effort that helps local leaders prepare for and manage change through a hands-on approach to community self-improvement. The program addresses such areas as planning, community services and community enrichment. The Department of Commerce and Kansas State University Research and Extension co-administer PRIDE, providing technical assistance and training opportunities for the local programs.

Promoting Employment Across Kansas (PEAK)

This program allows companies to retain 95 percent of their payroll withholding tax for PEAK-eligible employees/jobs that pay at or above the county median wage where the jobs will be located. The Secretary of Commerce can approve benefit periods up to 10 years.

PEAK requires companies to create five new jobs in non-metropolitan counties or 10 new jobs in Shawnee, Douglas, Wyandotte, Johnson, Leavenworth and Sedgwick counties over a two-year period. The qualified company must also pay wages for the PEAK jobs that, when aggregated, meet or exceed the county median wage or North American Industry Classification System (NAICS) average wage for their industry. Companies must make available to its full-time employees adequate health insurance coverage and pay at least 50 percent of the premium.

Property Tax Abatement Assistance

The Court of Tax Appeals (COTA) Liaison provides instruction and technical assistance to parties interested in property tax abatement. The liaison works with the Court of Tax Appeals to facilitate tax exemptions in accordance with the state law and:

- Reviews applications and related documents submitted for tax abatement.
- Explains policy and procedures.
- Makes recommendations.
- Assists in certification completion.

Qualified Private Activity Bonds (PABs)

These are federally tax-exempt bonds. Under the federal volume cap, Kansas has a total 2012 bond allocation of \$284.6 million for this purpose. The types of bonds qualifying for such tax-exempt status are exempt facility

bonds and qualified mortgage bonds, veterans' mortgage bonds, small issue bonds (or industrial revenue bonds), student loan bonds, redevelopment bonds and 501(c)(3) bonds.

RAWorks Grant

Funds are used to expand a successful workforce training model serving skilled trade occupations in advanced manufacturing and energy industry, promoting entry-level certificates articulating into registered apprenticeship as a viable, effective training option for dislocated workers.

Registered Apprenticeship Program

This program involves learning how to do a task by performing it on the job, as well as learning why it's done that way through related technical instruction (RTI). Much of RTI is obtained through community and technical colleges. A skilled mentor/journeyworker is required to oversee and train the apprentice. A registered apprenticeship – a voluntary, industry-driven system for occupations requiring a broad range of high-level skills – is a full-time, paid employment and training with built-in career placement in more than 950 apprenticeable occupations including health care, utilities, manufacturing, building and construction, and energy. This program may be linked to an approved school-to-registered apprenticeship program in grades 11-12.

Rural Business Development Program Tax Credit

This program provides tax credits to encourage individuals and businesses to invest in regional foundations in each of seven Kansas economic development regions (Northwest, North Central, Northeast, East Central, Southeast, South Central and Southwest). This investment will provide capital for entrepreneurial efforts in rural communities, ensure regional determination for the usage of funds and encourage local investment in the regions' economic future.

Second Chance Act Grant

The Kansas Department of Corrections will act as the grant coordinator in close partnership with the Department of Commerce and the Reentry Policy Council to administer this program. This grant will be used to increase offender participation in job development and vocational training, so offenders are always included as a viable part of the workforce of Kansas.

Small Communities Improvement Program (SCIP)

SCIP sets aside \$500,000 each year for small communities that are undertaking improvement projects through sweat equity and volunteerism. The program is designed to assist communities with populations of 5,000 or less that are not eligible for other Department of Commerce assistance and might not have the capacity to provide matching funds. The maximum award for a single project is \$125,000. Self-help requires communities to determine which parts of the project they can complete on their own. The community acts as the general contractor, organizing local labor and equipment and coordinating work that needs to be done by a subcontractor. The SCIP provides direction, technical assistance, guidance and the support to make it happen.

STAR Bonds

Sales Tax Revenue (STAR) Bonds provide Kansas municipalities the opportunity to issue bonds to finance the development of major commercial, entertainment and tourism areas and use the sales tax revenue generated by the development to pay off the bonds.

State Energy Sector Partnership and Training Grant

This is a \$6 million U.S. Department of Labor grant funding (available through January 2013) employer-driven training projects across five energy sectors: renewable energy operation and construction; renewable energy manufacturing and supply chain; energy transmission (electric and natural gas); biomass; and green construction and manufacturing processes. The grant funds support credentialing, boot camps, related technical instruction for registered apprenticeship, customized training and internships, among other activities. The grant also has funded training capacity expansions at eight community/technical colleges. Targeted populations include eligible

veterans, dislocated/laid off workers, offenders, at-risk youth (including those aging out of foster care), and economically disadvantaged individuals seeking career pathways out of poverty.

State Small Business Credit Initiative

The Kansas Capital Multiplier Loan and Venture Funds are programs that provide matching funds through a partner network to eligible businesses in communities across Kansas. Funding is provided through the United States Treasury via the State Small Business Credit Initiative (SSBCI).

Under the Kansas Capital Multiplier Loan Fund, businesses can apply for matching loans up to 9 percent of the private capital invested. Under the Kansas Capital Multiplier Venture Fund, businesses can apply for matching equity up to 9 percent of the private equity invested, including funds invested by private equity firms and angel investors. Businesses eligible include technology and biosciences companies, and rural businesses or businesses in distressed areas of urban communities that meet critical community needs.

Urgent Need Grants

Urgent Need Grants address an immediate threat to health or safety resulting from a sudden and severe emergency. These awards assist in meeting community needs created by a severe natural or other disaster. The need must be certified by the state agency that has regulatory oversight. Applications are reviewed on an as-needed basis throughout the year. The maximum amount awarded is \$400,000 per grant. Applications must be received within six months of the occurrence.

Veterans' Green Energy Job Training Program

Part of the Veterans Workforce Investment Program (VWIP), eligible veterans can earn credentials certifying them as qualified to work in several green energy related jobs, including gas measurement technician, green manufacturing, process technology and energy audit technician, among others.

Work Opportunity Tax Credit

This program helps people move from welfare to work and gain on-the-job experience by encouraging private employers to hire within one of several targeted groups of job candidates who traditionally face significant barriers to employment, reducing employer's federal income tax liability by as much as \$2,400 per qualified new worker in the first year of employment. The targeted candidates include cash assistance recipients, veterans receiving food stamps, disabled veterans, residents living in a rural renewal county, ex-felons, SSI recipients, among others. The disabled veteran target group can save employers up to \$4,800 in the first year of employment, and the long-term cash assistance recipient can save the employer up to \$9,000 over a two-year period.

Workforce Investment Act (WIA) Services

WIA provides the framework for a national workforce preparation and employment system designed to meet the needs of business and job candidates wishing to further their careers. The most important aspect of the law is its focus on providing easy access, information and services through a "One-Stop" system that will empower customers to obtain training, education and employment services at a single neighborhood location. This program is federally funded and is designed to serve targeted populations. WIA services continue to improve the skills of Kansas workers. Through Workforce Centers and the well-established One-Stop system, local workforce investment boards and their partner agencies provided services to 158,012 adult participants, 3,238 dislocated worker participants and 1,338 youth participants in Fiscal Year 2011. Of the 158,012 adults who accessed services through the One-Stop system, 148,077 were self-serve.

Incentive Claw Backs

The Department maintains strong safeguards to ensure taxpayer money invested in economic development efforts yield results. Claw backs used by the Department are performance based, meaning if a project complies with the terms of its commitment to the state, then no claw backs will be applicable to that project.

Promoting Employment Across Kansas (PEAK)

Repayment is triggered by any of the following: a company vacates the facility at which the jobs are located; the company fails to meet the wage standard for the county in which the project is located or falls below the wage standard necessary to qualify for continued benefits; the company fails to create and retain minimum number of jobs; or the company fails to meet reporting requirements.

The claw back will depend on the type of default. Remedies range from terminating the agreement between the Department and companies to cutting off any additional retention of withholding to demanding companies return an amount commensurate with all PEAK benefits received.

IMPACT

There are typically two primary types of claw backs regarding this program. One is linked to job creation and whether the company actually created the agreed upon number of jobs by the contract date. This job creation requirement is generally linked to the major project investment (MPI), or cash payment, of the IMPACT award. Repayment is calculated by considering the percentage of jobs actually created as compared to the target, and that percentage is multiplied by the amount of the MPI award. The second repayment event is based on whether the company generated enough withholding tax to repay the actual cost to the state of the award to the company. This is measured at the end of the agreement term.

Kansas Economic Opportunity Initiatives Fund (KEOIF)

While this program ended on Dec. 31, 2011, many agreements remain in place and the **Job Creation Fund** will likely function in a very similar manner. These are typically five-year, performance based forgivable loans to companies. If job creation and capital investment goals are satisfied, then the loan is forgiven over the term of the agreement. If performance not met, then a pro rata portion of the loan must be repaid. If companies should leave the state or shut down their projects, the entire amount of the award with penalties and interest are paid back to the state.

Economic Revitalization and Reinvestment Act (ERRA)

This bond program is primarily for aviation and wind/solar energy project funding. The funds provided to companies are repaid by the withholding taxes from its employees. Companies commit to a certain number of jobs, level of capital investment and wage standard. If these criteria are not satisfied, companies may be required, pursuant to a calculation set forth in the agreement, to repay part or all of the withholding taxes which it has been provided.

STAR Bonds

The state has imposed claw backs or repayment terms for certain STAR bond projects. These are job creation and wage based performance measures which are incrementally forgiven on an annual basis over the term of the project.

Community Development Block Grant

These grant funds are typically awarded to local units of government to be passed through to companies with a project in the area. If the funds are not used for the intended purpose, or if the company fails to meet capital investment or job creation criteria, then the local unit of government has an obligation to pursue the company on the state's behalf.