

**Kansas Department of Commerce
Testimony on HB 2623, Rural Remote Worker Initiative
Trisha Purdon, Office of Rural Prosperity Director
at the Kansas Department of Commerce
House Committee on Financial Institutions and Rural Development
February 14, 2022, 9:00 a.m.
Room 218 N**

The Kansas Department of Commerce requests that the House Committee on Financial Institutions and Rural Development favorably passes HB 2623.

The growth and prosperity of rural Kansas is the sole purpose of the Office of Rural Prosperity and after two state-wide listening tours, we know that we need to continue to develop new strategies to support and promote our rural communities. HB 2623 creates an innovative program that leverages our rural remote workforce and encourages new and expanding businesses to hire rural remote workers. Over the course of the pandemic, we have witnessed how people can successfully utilize their skills and talents at home to get their jobs done. Rather than traveling to the office or a meeting, you jump on zoom or any of the online platforms to meet with your colleagues from anywhere in the state, country or world. Our work no longer must be connected to the businesses and resources in our specific community. Kansans can have it all...the perks and joys of remaining in our rural communities and a high-quality job. Furthermore, the rural remote worker program will capitalize on the urban business wins by encouraging those expanding and new businesses to hire rural Kansans.

The rural remote worker program has the following requirements:

- Rural is defined as a county that has a population of 40,000 or less or a city that has a population less than 60,000 or less located within a county that has less than 80,000.
- A new business is a facility, plant, division, office, department or other business operations of an entity that was not doing business in Kansas prior to the application submission.
- An expanding business means the expansion of an existing business facility, division, office, department or other operation located in the state of Kansas.
- Such business must create a minimum of five new, rural, remote jobs.
- A remote job is defined as a full-time position (working at least 30 hours) where a permanent remote or mobile employee works for an expanding or new business in Kansas. It does not include part-time, temporary or seasonal positions.

- All remote jobs must be at least 30 miles away from the location of the expanding or new business.
- The wage for the remote job must be equal to or more than the county median wage where the remote job is located.

Upon meeting the requirements, a company would receive \$4,000 per net new rural remote job. This would be awarded after one year of maintaining the full-time permanent position in rural Kansas. These awards may be in addition to other incentive awards such as Promoting Employment Across Kansas (PEAK), High Performance Incentive Program (HPIP) and Jobs Creation Fund (JCF). Overall, the rural remote worker program has a cap of \$600,000, which would provide an award for 150 rural remote jobs.

We know that Kansas continues to have a high migration rate. In fact, Kansas is the 6th most “moved from state” (according to the 44th annual National Movers Study) and the number one reason for moving is employment. The rural remote worker program will not only keep people in our state but also bring in outside wages to those rural communities. This is a new, innovative program that capitalizes on the current trend of remote work, keeps people in our state, captures outside wages and encourages businesses in urban areas to hire rural workers. All of which will have a statewide positive impact.

I urge you to pass HB 2623 as a new way to sustain rural Kansas.