



**Testimony to House Committee on Commerce  
Support of HB2292  
Monday, February 13, 2023  
The Greater Kansas City Chamber of Commerce**

The Greater Kansas City Chamber of Commerce (KC Chamber), representing approximately 2,000 members (40% of which are in Kansas) supports HB2292 to encourage development of apprenticeship programs in Kansas by providing income tax credits for participating businesses that employ apprentices. The KC Chamber believes that these types of tax credits will assist and incentivize employers to address critical workforce needs through apprenticeship opportunities.

The KC Chamber's Board of Directors, along with the thousands of members of the KC Chamber, has identified workforce development as a critical and immediate need, with there being tens of thousands of unfilled jobs in the Kansas City area that need to be filled with qualified workers. As the economy continues to hold at record unemployment numbers, the KC Chamber believes it is imperative we find solutions to get more people participating in the workforce and train skilled workers to perform these open jobs. According to the Mid-America Regional Council (MARC), there have been 84,00 job postings by area employers in the last 12 months, and as we continue to face chronic labor shortages with no end in sight, it will be even more critical to find solutions to grow the pipeline of qualified workers in the labor force.

One such solution is to incentivize businesses and employers to establish and participate in apprenticeship programs. Apprenticeship opportunities have a proven track record of producing strong results for both employers and workers and can be offered across hundreds of occupations. For every dollar a business invests into an apprenticeship, they see on average \$1.48 in the return on investment, and there's a 92% employment retention rate of apprentices who remain at their employer once their apprenticeship is completed.

However, while apprenticeships offer a great solution to critical workforce needs, in Kansas participation rate is low compared to our peers. Right now, there are 3,500 apprentices across 150 occupations and 212 sponsors. In 2022, Kansas ranked 40<sup>th</sup> in the nation in completed apprenticeships, 40<sup>th</sup> in new apprenticeships, and 38<sup>th</sup> in active apprenticeships. That's compared to our neighboring state of Missouri, which ranked 3<sup>rd</sup> in the nation for completed apprenticeships, 4<sup>th</sup> in new apprenticeships, and 6<sup>th</sup> in active apprenticeships. And with 65% of current apprenticeships in Kansas in either the construction or energy sectors, it's disproportional to where our state is seeing job growth and a need for new apprenticeships in industry sectors such as healthcare, professional educators, and IT.

With workforce development as a priority for not just the KC Chamber, but also for the State of Kansas, incentivizing employers to develop and participate in apprenticeship programs signals that Kansas is taking this issue seriously and is providing solutions to business to address their workforce needs and will continue to position the state as business friendly. As Kansas looks to remain competitive in a fast-changing, 21<sup>st</sup> Century economy, it is important for our businesses to remain competitive and have the tools they need to attract and retain qualified works. Other states surrounding Kansas are currently benefiting from more apprenticeship opportunities, and Kansas should not be the exception. The KC Chamber supports HB2292 and asks for the committee's support on the bill as well.

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