

MINUTES OF THE HOUSE COMMERCE, LABOR AND ECONOMIC DEVELOPMENT
COMMITTEE

The meeting was called to order by Chairperson Mark Hutton at 1:30 pm on Monday, February 15, 2016, 346-S of the Capitol.

All members were present except:

Representative Annie Tietze – Excused

Committee staff present:

Linda Herrick, Kansas Legislative Committee Assistant

Reed Holwegner, Legislative Research Department

Chris Courtwright, Legislative Research Department

Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Rob Fillion, Executive Director, Smoky Hill Development Corporation, Ellsworth

Scott Moore, City of Ellsworth Administrator

Kermit Rush, Ellsworth County Commission Chairman

Johnnie Goddard, Interim Secretary, Kansas Department of Corrections

Representative Steven Johnson

Martha Neu Smith, Executive Director, Kansas Manufactured Housing Association

Sean Miller, Kansas Building Trades

Eric Stafford, Vice President, Government Affairs, The Kansas Chamber

Larry Karns, Workers Compensation Director, Kansas Department of Labor

Reynaldo Mesa, The Kansas Chamber

Scott Heidner, Kansas Self-Insurers Association

Rachelle Colombo, Kansas Medical Society

Others in attendance:

[See Attached List](#)

Hearing on: HB2648 — Authorizing inmate vocational building program at Ellsworth correctional facility.

Chairperson Hutton opened the hearing on this bill. Mr. Reimer gave an overview of **HB2648**. This bill would allow the building of five modular residential homes per year at the Ellsworth Correctional Facility.

Rob Fillion, Smoky Hill Development Corporation, Ellsworth, provided proponent testimony ([Attachment 1](#)) indicating local contractors are in full support of the bill.

Proponent verbal testimony was given by Gary Urbanek, State Farm Agent; Justin Lindsley, former owner of Ellsworth Ready-Mix; and Curt Glaser, First Bank of Kansas, Ellsworth, but no hard copy of

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testimony was provided.

Scott Moore, City of Ellsworth Administrator, provided proponent testimony ([Attachment 2](#)), noting the program allows inmates to work on these buildings and prepare to return to their communities with job skills.

Kermit Rush, Ellsworth County Commission Chairman, provided proponent testimony ([Attachment 3](#)). He said the bill will provide job and economic development opportunities that will grow the local and state economy.

Johnnie Goddard, Interim Secretary, Kansas Department of Corrections, provided proponent testimony ([Attachment 4](#)). The bill allows the Ellsworth Correctional Facility to build up to five modular residential homes per year to be sold to individuals, businesses or donated to charities in the State of Kansas. The program teaches inmates skills, reduces recidivism, and helps in recruiting and retention of Department of Corrections staff.

Representative Steven Johnson gave proponent testimony ([Attachment 5](#)). He noted the Ellsworth community has a shortage of housing in the low to middle price range. There are local businesses ready to partner with the program from selling the lumber to insurance purchased on the final product.

In response to questions about the market for the houses, Interim Secretary Goddard indicated it is not the intention to flood the market with these homes, but rather to provide a small number of houses which the community needs while building vocational skills for the inmates. In response to another question, Interim Secretary Goddard noted the home size is from 1,200 to 1,500 square feet.

Martha Neu Smith, Kansas Manufactured Housing Association (KMHA), gave opponent testimony ([Attachment 6](#)). Mentioning past legislation, she said the bill will lead to other facilities building and selling homes. KMHA believes a state agency should not engage in direct business competition against private Kansas businesses that employ Kansas citizens and pay taxes.

Sean Miller, Kansas Building Industry, provided opponent testimony ([Attachment 7](#)). He noted the bill places home builders in competition for business with government produced housing.

Eric Stafford, Kansas Chamber, provided opponent testimony ([Attachment 8](#)), noting the bill would exempt the Ellsworth area from state law prohibiting corrections programs from maintaining programs that compete with manufactured homes with the exception of homes under 1,000 square feet for use by state agencies.

There was no neutral testimony.

The hearing on this bill was closed.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Hearing on: HB2618 — Authorizing the sale of prison-made goods to certain entities and Kansas residents.

Chairperson Hutton opened the hearing on this bill. This was a bill related to **HB2618** above. Mr. Reimer gave an overview of the bill.

Some of the same persons provided testimony: proponent, Johnnie Goddard ([Attachment 9](#)); opponents, Eric Stafford ([Attachment 10](#)) and Martha Neu Smith (combined testimony for **HB2648**). The opponents felt the prison-made goods act directly competes with the private sector business.

There was no neutral testimony.

The presenters stood for questions.

The hearing on **HB2618** was closed.

Hearing on: HB2617 — Workers compensation; medical administrator; electronic filing.

The hearing on this bill was opened. Mr. Reimer gave an overview of the bill.

Larry Karns, Workers Compensation Director for the Kansas Department of Labor (KDOL), provided proponent testimony ([Attachment 11](#)). This bill adopts a provision for electronic filing to be implemented in the next two years. If the electronic system is inaccessible, the bill specifies the extended deadline until the system is implemented. A medical director is currently required to perform duties under the workers compensation act, and KDOL would like flexibility in filling this role with a person who may or may not be a physician.

Reynaldo Mesa, Kansas Chamber, gave proponent testimony ([Attachment 12](#)) and noted the Chamber supports KDOL in the request for a medical administrator, possibly on a part-time basis, rather than a physician and agreed as well with filing electronically.

Scott Heidner, Kansas Self-Insurers Association, provided proponent written only testimony ([Attachment 13](#)).

Rachelle Colombo, Kansas Medical Society (KMS), gave opponent testimony ([Attachment 14](#)), stating a licensed physician should serve as medical administrator for the Division of Workers Compensation. The intent of the Legislature, when this statute was enacted, was to staff a physician in this role who understood the health care delivery system and who could speak to medical issues.

There was no neutral testimony.

There were no questions.

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The hearing on this bill was closed.

Adjournment

The meeting adjourned at 3:05 p.m.

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