

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Bill Buntten at
Chairperson

1:30 ~~am~~/p.m. on Monday, February 18, 1985 in room 514-S of the Capitol.

All members were present except: Representative Mainey (excused)

Committee staff present: Gloria Timmer - Legislative Research
Laura Howard - Legislative Research
Jim Wilson - Office of the Revisor
Sharon Schwartz - Administrative Assistant
Nadine Young - Committee Secretary

Conferees appearing before the committee:

Tom Sloan, Senate President's office
Basil Covey, Kansas Retired Teachers Association
Wanda Mae Vinson
J. B. Holland
Laurence Stanton, President-Kansas Teachers' Hall of Fame
Billy McCray, Dept. of Economic Development-Minority Business
Others Present (Attachment I)

Chairman called the meeting to order at 1:30 p.m.

SB 25 -- an act relating to interstate cooperation; concerning the Kansas Commission on Interstate Cooperation and the senate committee on interstate cooperation; amending K.S.A. 46-401 and K.S.A. 1984 Supp. 46-404 and repealing the existing sections.

Tom Sloan explained the bill which would allow the President of the Senate to appoint his designee to serve on Kansas Commission on Interstate Cooperation. Representative Heinemann moved that SB 25 be recommended favorable for passage. Seconded by Representative Chronister. Motion carried.

HB 2213 -- an act making and concerning appropriations for the fiscal year ending June 30, 1986, for the Kansas teachers' hall of fame from the state general fund; authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing.

Representative Sughrue presented the bill which asks for \$10,000 to be appropriated from SGF for operation of the Kansas Teacher's Hall of Fame. (Attachment II).

Testimony in support of HB 2213 was heard by the following:
Basil Covey, representing Kansas Retired Teachers' Association.
Wanda Mae Vinson, District head for Teachers Hall of Fame.
Mr. J. B. Holland, a retired teacher and the first to be inducted in the Hall of Fame (1977).

Laurence Stanton said that passage of the bill would ensure that teachers are recognized for outstanding service. He asked the committee's help with their efforts to honor those teachers who have done so much and are still a source of inspiration. He thinks that recognition of those dedicated teachers will encourage better efforts from those who are now in the profession of educating our children. (Attachment III).

HB 2233 -- an act creating the small contractors' loan program; providing guidelines and limitations; creating the small contractors' loan fund; prescribing powers, duties and functions for the secretary of administration.

Representative Love presented the bill which would create a small contractors' loan program. It asks initially for \$1 million to get the program off the ground.

Billy McCray testified in support of the bill and provided written testimony (Attachment IV).

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on Monday, February 18, 1985

Mr. Henry Boten, an attorney and owner of small businesses, also appeared before the committee and asked for support of the bill.

Chairman moved to HB 2235 -- an act creating the surety bond guarantee program for small contractors.

Representative Cribbs presented the bill, which would create the surety bond guarantee program for small contractors.

Billy McCray testified in support of the bill (Attachment V). He said the bill does not mandate a direct fiscal impact on the state's revenue, but it could initiate action which would be very helpful to small contractors. He also suggested that both HB 2233 and HB 2235 be amended to utilize Secretary of KDED instead of the Secretary of Administration.

SB 10 -- an act relating to the federal revenue sharing fund; abolishing such fund and providing for the transfer of moneys and liabilities from such fund to the state general fund; and repealing K.S.A. 75-4257, 75-4258, 75-4259 and 75-4260.

Ed Ahrens explained the bill which was sponsored by Legislative Budget Committee. SB 10 abolishes the Federal Revenue sharing fund on July 1, 1985 and transfers any balances in the fund to the state general fund.

Representative Chronister moved that SB 10 be recommended favorable for passage and be placed on the consent calendar. Seconded by Representative Rolfs. Motion carried.

Chairman asked for a motion on the minutes for February 11, 13, 15 and 15. Representative Chronister moved the minutes be approved as written. Seconded by Representative Turnquist. Motion carried.

The next meeting is scheduled for Wednesday, February 20 at 1:30 p.m. Meeting adjourned at 2:30 p.m.

Date 2-18-85

Name	Address	Representing
Kendal Ann Timson	1200 College Topeka 66604	Kans Teachers Hall of Fame
Jean E. Jones	1057 Garfield St Topeka	Kans Teachers Hall of Fame
Harold C. Peto	2606 Chelsea Dr Topeka 66614	TARTA
PAT SCHAFER	TOPEKA	DIVISION OF BUDGET
Tony August	Topeka	KDED
Glenn Outten	Topeka	K.S. Contractors Assn
DAN MORGAN	Topeka	AGC of Kansas, Inc.
Laurence Stanton	Dodge City, Ks.	Dodge City, Ks.
Lloyd Copenhagen	1638 Withdean Rd.	TARTA
Edith Copenhagen	1638 Withdean Rd.	TARTA
Basil Covey	Topeka	KRTA
Henry Boston	629 Ormcy	AIDBE
Dilly O. McCoy	503 Kansas Ave	KDED
Zeb Canfield	1551 W Mineral St	Legislator
Clarence C. Love	2853 Parkview	Legislator
J. B. Holland	1521 Campbell	Hall of Fame
Mark R. Roth	Topeka	William Jewell Univ

2/19/85

Hy

KATHRYN SUGHRUE
REPRESENTATIVE 116TH DISTRICT
FORD COUNTY
1809 LA MESA DRIVE
DODGE CITY, KANSAS 67801



TOPEKA

HOUSE OF
REPRESENTATIVES

February 18, 1985

COMMITTEE ASSIGNMENTS
MEMBER: FEDERAL AND STATE AFFAIRS
ENERGY AND NATURAL RESOURCES
GOVERNMENTAL ORGANIZATION

Mr. Chairman and members of the Ways and Means Committee

H.B. 2213 concerns an appropriation request for the Kansas Teachers Hall of Fame.

The Teacher Hall of Fame in Dodge City was 1st housed in a one room school building on the Boot Hill grounds. This was in 1977.

Progress caught up with the 1 room so in 1981 a building was purchased to be used as a museum for education.

Our Kansas Teacher Hall of Fame was the 1st in the U.S.A. To date 109 teachers from all areas of Kansas have been honored and inducted into the Hall of Fame.

The building has been funded by Kansans who take pride in the fact that Kansas teachers are among the best in the nation. The building is partially paid for, but we do have a debt which will be explained by 3 conferees.

Since the building is a Hall of Fame for Education similar to other Halls of Fame in Kansas, we sincerely ask your consideration of our modest request for a grant as proposed in H.B. 2213.

2/18/85 II

THE KANSAS TEACHERS' HALL OF FAME

Dodge City, Kansas 67801

BOARD OF DIRECTORS

Mr. Chairman, Ways and Means Committee Members:

Laurence L. Stanton
406 LaVista
Dodge City, Kansas

Dr. Steven A. McKee
Box 460
Dodge City, Kansas

Frank B. Toalson
1812 5th
Dodge City, Kansas

June McClaren, Treasurer
Box 215
Lewis, Kansas 67550

Ethel Peterson
2315 Melencamp
Dodge City, Kansas

Judy Young
2206 McCoy
Dodge City, Kansas

Dr. Eddie Estes
1700 East Wyatt East
Dodge City, Kansas

Chester Pennington
1707 Avenue C
Dodge City, Kansas

Lydia Haag, Building Fund Treasurer
1107 6th
Dodge City, Kansas

Ex Officio Member
Jim Sherer
500 W. Wyatt East
Dodge City, Kansas

DISTRICT HEADS

1 - Milo Peterson
R.R. 1, Box 33
Buffalo, Kansas 66202

2 - Dr. Harold R. Hoag
Box 1008
Emporia, Kansas 66801

3 - Zula Mae Turner
R.R. 3, Box 1734
El Dorado, Kansas 67037

4 - Lila Fritschen
3213 Northwestern
Hutchinson, Kansas 67501

5 - Nadine Stallard
703 East 4th
Kinsley, Kansas 67547

6 - John W. Dickerson
Box 977, 801 Cambridge
Garden City, Kansas 67844

7 - Marie Peterson
Box 54
Monument, Kansas 67701

8 - Harvey Davidson
305 West 25th
Hays, Kansas 67601

9 - Owen Hodgson
Box 1264
Sulina, Kansas 67881

10 - Wanda May Vins
1200 College
Topeka, Kansas 66604

11 - Maurice Swanson
5501 Woodson, Apt. 100
Mission, Kansas 66202

We do appreciate the opportunity to appear before you folks and we are grateful for the good background that Representative Kathryn Sughrue has given you in regard to The Kansas Teachers' Hall of Fame, Inc. located in Dodge City, Kansas. We were granted our Charter February 15, 1977 and have been busy since that time trying to honor the many deserving teachers of our state.

The Hall of Fame was originally housed in a rural school building that was purchased by the Boot Hill Organization and moved onto the Boot Hill site in 1978. This facility enabled us to get a good start but it soon became evident that we needed more room to display pictures of those taken into the Hall of Fame and the museum items that we kept accumulating.

A large two story building, of brick and block construction, located across the street west of Boot Hill, was put up for sale in the spring of 1981 at a price of \$250,000.00. The Kansas Teachers' Hall of Fame Directors contracted to purchase the building for \$175,000.00. We took possession of the building February 15, 1982 at which time the owner was paid \$30,000.00. Another \$30,000.00 was paid to him on the 1st of July, 1982 and the last \$30,000.00 January 4, 1983. \$45,000.00 of this was borrowed from a private source.

The Hall of Fame also assumed a Small Business Administration loan of \$87,000.00 to be paid at the rate of \$1,062.00 per month until paid in full. These payments total \$12,744.00 for the year. Expenses for insurance, utilities and maintenance total around \$10,000.00 each year. We have been able to pay the SBA loan down to \$57,818.14 at the present time.

Financial support of the Hall of Fame comes mainly from retired teachers and occasionally a business concern. We have tried to help ourselves through the sale of cookbooks and small glass plates but revenue from these sales has dropped considerably.

Eight "Classes" have been inducted into the Hall of Fame up to the present time. They include 109 teachers from 63 different school systems in Kansas. Our organization does cover the entire state since the eleven District Heads are responsible for the 105 counties.

Anyone may nominate an individual for Hall of Fame consideration. One teacher taken into the organization was nominated by one of her eighth grade students in the Gaylord, Kansas school system. He happened to be listening to the radio, learned about the nomination procedure and followed up with a good presentation. We thought this went right along with our efforts to bring credit to the teaching profession and the many teachers who have dedicated their lives to helping others to become worthwhile and contributing members of society. We try to select outstanding teachers, who have taught for at least 20 years in grades Kindergarten through 12, including Area Vocational Schools, in the state of Kansas.

Ladies and gentlemen we are asking for your help with our efforts to honor those teachers who have done so much for all of us in past years and are still a source of inspiration and encouragement to us. We hope that recognition of the dedicated teachers will encourage better efforts from those who are now in the profession of trying to educate our children.

2/18/85

THE KANSAS TEACHERS' HALL OF FAME

The Kansas Teachers' Hall of Fame was granted a corporation charter by the Kansas Secretary of State, Topeka, Kansas, February 15, 1977. The purpose of the organization is to make every effort to bring credit to the teaching profession and the many teachers who have dedicated their lives to helping others to become worthwhile and contributing members of our society. One of the efforts along this line is to select, recognize, and honor outstanding teachers, grades Kindergarten through 12, and Area Vocational Schools, who have taught at least 20 years in the state of Kansas.

The 105 counties of the state of Kansas were divided into eleven areas for the purpose of getting nominations of individuals to be considered for induction into the Hall of Fame. Individuals chosen to be the leaders in each of the eleven areas were given the title of District Heads. The District Heads and the Board of Directors of the Hall of Fame make up what is known as the Executive Council of the organization. Members of the Executive Council get together each year at the annual meeting of the Hall of Fame corporation to conduct the necessary business of the group and also to select new individuals to be inducted into the Hall of Fame.

The Kansas Teachers' Hall of Fame was originally housed in a one-room school building that was moved onto the Boot Hill site in 1978. This particular building was built in Haviland, Ks. in 1917, moved to a school district south of Bucklin, Ks. in 1948 and was moved onto the Boot Hill site in 1978. This building proved to be a good location for the start of the Hall of Fame but space soon became a problem. The building at 603 5th Avenue, Dodge City, became available in 1981 and this was purchased by the Hall of Fame corporation in the fall of that year. Possession of the 3 level, 8,000 square foot building was taken by the Hall of Fame February 15, 1982 and remodeling was started.

Financing of the Hall of Fame building and related activities is totally through donations which are deductible under section 501 (c) (3) of the Internal Revenue Code.

CHARTER MEMBERS - 1977

Doris Ballard, Norton; Annalee Burnett Hampton, Tribune; Grace Casebolt, Hutchinson; Ray E. Heller, Neodesha; Owen E. Hodgson, Salina; J. B. Holland, Topeka; Mary H. Hunholz, Manhattan/Wamego; Ethel Jamison, Quinter; Henry D. Karns, Junction City; Howard D. McEachen, Shawnee Mission; Selma Maronde, Russell; Gussie Mootz, Dodge City; Joe W. Ostenberg, McPherson; Helene Pelzel, Wichita; Pearl Peterie, Kinsley; George Murlin Welch, Shawnee Mission/Sunrise Beach, Missouri.

CLASS OF 1978

Will T. Billingsley, Hutchinson; Helen Case, El Dorado; Vera M. Clark, Emporia; Ward L. Kiester, Basehor; Julianne Kruse, Barnes; Lila M. Lever, Osborne; Vinnie Lindbeck, McPherson; *Marsena Pettijohn, Larned; Marie Reynolds, Pittsburg; Mary Louise Risdon, Ottawa; Audrey E. Smith, Goodland; Milo O. Stucky, Lawrence; Dan V. Swartz, Great Bend; Kathleen Walsh, Wichita; Margaret M. Wilson, Meade.

CLASS OF 1979

Roy E. Bonar, Alta Vista; John Buller, Lyons; Robert C. Caldwell, Salina; Joseph F. Carpenter, Overbrook; Ursula Clowers, Hays; J. Harvey Douglass, Winfield; Helen Sutherland Floyd, Ness City; Randall W. Gallion, Mullinville; Hazel Suffron Green, Iola; Virginia S. Hanchett, Hill City; Leonard F. Howell, Goodland; Horace A. "Pop" Kersey, Lakin; Harold E. Lowe, Prairie Village; *Walter M. Ostenberg, Salina; Frank B. Toalson, Dodge City; Dr. Ruth Stout Wright, Topeka.

CLASS OF 1980

*Elda Mae Burke, Council Grove; Bernice Conrad, Gaylord; Marie Gunsaulus, Fort Scott; Dwight Hardy, Pratt; Julian A. Johnson, Buhler; Larry Ling, Liberal; Frances Reish Wathena; *Wayne Snodgrass, Clay Center; Laurence L. Stanton, Dodge City; Mabel Thompson, Junction City; Gerald Travis, Norton; Josephine Wait, Wichita.

CLASS OF 1981

Glenn E. Burnette, Topeka; Ernestine Carrithers, Syracuse; Kate Carter, St. John; Fayette Fields, Wichita; Clara Kaufman, Gridley; *George A. "Pop" Lodle, Emporia; Warren Macy, Hays; Louise Elizabeth Matheis, Beloit; *Frank Leslie Schlagle, Kansas City; Maxine Aileen Sebelius, Almena; Wanda May Vinson, Topeka; Alice V. Tuttle, Garden City; Paul Zerger, McPherson.

CLASS OF 1982

R. L. Dennen, Colby (Colorado Springs, Colo.); Doris E. Ely, Hutchinson; Marvin P. "Barney" Forker, Ottawa; Dr. Edwin Friesen, Wichita; Lucy E. Hall, Wichita (Wesley Towers, Hutchinson, Ks.); *William "Al" Hargrave, Plainville; Mearle S. Hoover, Salina; Jean E. Jones, Topeka; M. Charles Kingry, Kinsley; Althea M. Petersilie, Ness City; Lucile V. Rogers, Fort Scott; James Shankland, Kansas City (Mesa, Arizona); Maurice Swanson, Mission.

CLASS OF 1983

Lois McMullen Anderson, Lincoln, Nebraska; Jake H. Aust, Phillipsburg; Joyce Courtney, Emporia; Una Mary Funk, Council Grove; *Esther Ogle, Hutchinson; Marie Swisher, Coldwater; Ada Myrtle Wade, Shawnee Mission; Minerva Wahlborg, Hill City; Roscoe C. Waldorf, Garden City; Ruth Wendelburg, Wichita; Myrtle Wirth, Salina.

CLASS OF 1984

Regina M. Allen, Medicine Lodge; Alice Cummings Cole, Hutchinson; Herb M. Darby, Washington; Betty L. Dutton, Alta Vista; Charles E. Gash, Burlington; Father Timothy Gottschalk-Capuchin, Hays; Lenora Haney, Colby; Ralph C. Johnson, Kansas City, Kansas; Allan E. Maag, Arkansas City; Horace E. Malin, Liberal; Virginia R. Radford, Horton; Nadine LaVerne Stallard, Kinsley; Doris Parsons White, Osborne.

*Denotes member deceased before installation.

Inducted July 8, 1977 at Dodge City, Kansas

WHAT TO SEE IN THE KANSAS TEACHERS' HALL OF FAME

The MEMORIAL ROOM has donor plaques and the Memorial Book.

The HALL of FAME GALLERY has pictures and information concerning all who have been taken into the Hall of Fame.

The MUSEUM contains items pertinent to early day classrooms and educational activities.

The GIFT SHOP contains Hall of Fame items such as cookbooks, postcards, collector plates and many items of the Old West.

The WAX MUSEUM is located on the top floor of the building. A charge is made to go through the Wax Museum. No charge is made to go through the Hall of Fame portions.

Hours are: June, July and August - 10:00 a.m. through 8:00 p.m. All other months - weekdays, 12:00 noon through 2:00 p.m. weekends, 12:00 noon through 3:00 p.m.

The Hall of Fame and the Wax Museum will be closed during the months of January and February.

For a special tour of the Hall of Fame, call one of the following numbers: 227-6877, 227-2874, 227-7544 or 227-3831.

NOMINATIONS

The deadline for annual nominations is February 1. Nominations are made according to a prepared form, available from district heads, and sent to the head of the district where the nominee resides.

REQUIREMENTS FOR NOMINATION

A teacher or administrator, K-12, or AVTS for at least 20 years in Kansas, who has contributed outstandingly and uniquely to education in Kansas is eligible for nomination.

HOW NOMINEES ARE SELECTED

The district heads are responsible for securing nominations of teachers for election to The Kansas Teachers' Hall of Fame. Each district head has a committee to help obtain nominations, then meets annually with the directors to select inductees.

MUSEUM ITEMS CAN BE USED

We have space available in our Museum for items of almost any kind. Let us know what you have that could be included. If it is not convenient for you to get it here, we'll make arrangements to pick it up.

TEACHER DAY - USA

Shortly after the inception of *The Kansas Teachers' Hall of Fame*, the organization, in its effort to further the image of educators, decided to sponsor *Teacher Day-USA*. *Teacher Day-USA* is a day set aside to honor a special teacher - not necessarily by purchasing gifts for every teacher - but rather for remembering a special teacher who had a positive influence in one's life.

In 1977, largely due to efforts by State Representative Kathryn Sughrue, the Kansas legislature passed a resolution making the first Friday in March of every year *Teacher Day-USA*. Then in 1980, following work done by U.S. Representative Keith Sebilius, and by Senator Nancy Landon Kassebaum, President Jimmy Carter signed a proclamation declaring March 7, 1980 as *Teacher Day-USA*. A copy of the proclamation is below.



Teacher Day, USA

By the President of the United States of America

A Proclamation

The great strength of America lies in its people, educated in the most comprehensive and open system of public education the world has ever known.

We have an enormous stake in this system, and the key to it is the American teacher. The men and women who staff our schools spend countless hours inspiring, encouraging, informing, and preparing young people for the future. Their hard work is a lifelong gift. Behind every successful adult, there is usually a teacher who was an inspiration for excellence.

Sadly, there has never been a national observance of the profound debt we owe our Nation's teachers. There is no time each year when we can bestow the individual recognition, honor, and encouragement our teachers richly deserve.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate March 7, 1980, as "Teacher Day, United States of America."

I ask all Americans to communicate their personal appreciation, by word and deed, to present and former teachers who have enriched their lives.

IN WITNESS WHEREOF, I have hereunto set my hand this fifth day of March, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fourth.

Jimmy Carter

CONTRIBUTIONS

Contributions to The Kansas Teachers' Hall of Fame are tax deductible under section 501 (c) (3) of the Internal Revenue Code.

A list is kept of all those making donations to The Kansas Teachers' Hall of Fame. This is brought up to date each year and becomes a permanent record to be kept with other Hall of Fame items of interest to the general public.

A special record is kept of contributions made in memory of particular individuals, and this too is a part of the permanent record of The Kansas Teachers' Hall of Fame organization.

I am enclosing my contribution of \$_____ for the Kansas Teachers' Hall of Fame.

Please send me the following information:

Area Code & Phone No.

Zip Code

Name

Mailing Address

For more information contact:

Laurence Stanton
406 LaVista Boulevard
Dodge City, KS 67801
(316) 227-6877

CONTRIBUTIONS to The Kansas Teachers' Hall of Fame are tax deductible under Section 501 (c) 3 of the Internal Revenue Code.

BOARD OF DIRECTORS

President..... Laurence Stanton, Dodge City
Board Member..... Dr. Steven A. McKee, Dodge City
Board Member..... Frank B. Toalson, Dodge City
Board Member..... Dr. Eddie Estes, Dodge City
Board Member..... June McClaren, Kinsley
Board Member..... Chester Pennington, Dodge City
Board Member..... Judy Young, Dodge City
Secretary..... Ethel Peterson, Dodge City
Treasurer..... Lydia Haag, Dodge City
Ex-Officio..... Jim Sherer, Dodge City

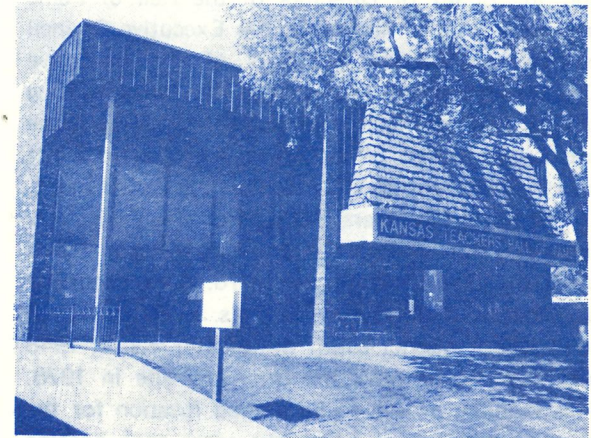
DISTRICT HEADS

- #1 Milo Peterson
R. R. 1, Box 38
Buffalo, Kansas 66717
- #2 Dr. Harold R. Hosey
Box 1008
Emporia, Kansas 66801
- #3 Zula Mae Turner
R. R. 3, Box 47
El Dorado, Kansas 67042
- #4 Lila Fritschen
3213 Northwestern
Hutchinson, Kansas 67501
- #5 Nadine Stallard
703 East 4th
Kinsley, Kansas 67547
- #6 John W. Dickerson
Box 977, 801 Campus Drive
Garden City, Kansas 67846
- #7 Marie Peterson
Box 54
Monument, Kansas 67747
- #8 Harvey Davidson
305 West 25th
Hays, Kansas 67601
- #9 Owen Hodgson
Box 1264
Salina, Kansas 67401
- #10 Wanda May Vinson
1200 College
Topeka, Kansas 66604
- #11 Maurice Swanson
5801 Woodson, Apt. 103
Mission, Kansas 66202

The New Home of

The Kansas Teachers' Hall of Fame

Dedicated June 12, 1982



603 5th Avenue

(Across the Street - West of Boot Hill)

Dodge City, Kansas

KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT

Minority Business Division
503 Kansas Avenue, Sixth Floor, Topeka, Kansas 66603
Phone (913) 296-3805



JOHN CARLIN
Governor

CHARLES J. "Jamie" SCHWARTZ
Secretary

COMMITTEE TESTIMONY

TO: Chairman & Members of the House Ways &
Means Committee

FROM: Billy Q. McCray - Director
KDED - Minority Business

RE: **HB2233** - Small Contractors Revolving
Loan Fund

DATE: February 18, 1985

Mr. Chairman:

My name is Billy McCray. I am director of Kansas Department of Economic Development's Minority Business Division and am appearing in support of HB2233.

HB2233, as I understand it, would allow the Secretary of Administration to establish a small contractors revolving fund. The bill further states that, within the limits of appropriation, the Secretary is hereby authorized to enter into agreements with small contractors for the making of working capital loans or providing lines of credit.

Our Division believes that such a program outlined in HB2233 would be appropriate public policy for the state of Kansas and would enhance the economic stability and growth of small business enterprises in our state.

Larger firms and corporations often have access to industrial revenue bonds and other innovative financing tools which give them the needed capital for a business venture. Small businesses, however, have to get their money the old fashion way, "they have to earn it". HB2233 could be a necessary mechanism for either a small entrepreneur's beginning or his/her continued existence in business.

Small business and farmers are the backbone of our economy, both in Kansas and in the nation, and yet they are the ones that shoulder a large portion of the tax burden. During the recession four years ago, while large "fortune 500" companies were tightening their budget belts and laying off employees by the millions, small businesses were picking up those castoffs and continuing to provide jobs and taxes for this nation.

Today, the same as in the past several decades, small businesses have continued to supply between 60 and 80% of the jobs in America, yet they continue to be burdened with excessive taxation, smothered with rules and regulations, and when the incentive benefits are passed around, they are often left out.

Mr. Chairman, and Committee Members, HB2233 may not correct all of the inequities experienced by small business owners and small contractors, but it is a step in the right direction and could offer that needed incentive I believe to be owed them.

2/18/85

EXAMPLE OF SMALL BUSINESS FINANCING & SET ASIDE PROGRAMS IN OTHER STATES

NOTE: 43 OF OUR 50 STATES HAVE SOME KIND OF A SMALL BUSINESS INCENTIVE PROGRAM

Kentucky

The Small and Minority Business Division of the Kentucky Department of Economic Development provides six types of services: business planning, education and training, public sector purchasing assistance, marketing, loan packaging, and management and technical assistance.

The Small and Minority Business Division administers a Public Sector Purchasing Assistance Program which serves as a clearinghouse for the business person and the public sector. It provides assistance through the following activities: (a) assisting minority business firms in being placed on the state and federal bid mailing lists; (b) disseminating information on contracting and subcontracting opportunities on state projects; (c) assisting prime contractors of state construction projects to identify and utilize minority entrepreneurs; and (d) maintaining and updating the *Kentucky Minority Purchasing Guide*.

Kentucky has a direct loan program available to all businesses. It is administered by the Kentucky Development Finance Authority.

Contact: Small and Minority Business Division, Kentucky Department of Economic Development, 2329 Capitol Plaza Tower, Frankfort, Kentucky 40601. 502/564-2064.

Maryland

The Office of Minority Affairs was established to promote the growth of minority firms by providing technical and management assistance. The office advises the governor on minority unemployment problems and recommendations for employment and procurement opportunities.

The Small Business Development Financing Authority provides loans to small and minority businesses. The authority provides short-term contract financing on government contracts, and long-term guarantees on financing for equipment and working capital. Maryland has a procurement program for its small businesses that provides a five percent preferential advantage to state small businesses on all state agency purchases.

Contact: Office of Minority Affairs, 1123 North Utah Street, Room 723, Baltimore, Maryland 21202. 301/383-5555.

Connecticut

The Office of Small Business Affairs is empowered to administer set-aside programs for small business procurement; administer the funds for Connecticut's Small Business Development Centers; coordinate the flow of information with the technical and management assistance programs sponsored by the department; encourage the Connecticut Development Authority to grant loans to small firms; and serve as a liaison between federal, state, regional, and local government agencies concerned with small business matters.

The State of Connecticut has recently enacted amendments that require 25 percent of the amount set-aside be allocated to women and minority-owned firms. In addition, the legislation requires that firms participating in the program receive payment within 30 days of receipt of goods.

Contact: Office of Small Business Services, Connecticut Department of Economic Development, 210 Washington Street, Hartford, Connecticut 06106. 203/566-4051.

Pennsylvania

The Small Business Action Center was established as part of the State Department of Commerce. In addition to disseminating information on both public and private financial and technical assistance programs available to Pennsylvania small businesses, the Action Center serves as an advocate for small businessowners in their dealings with state agencies. Another vital assistance provided is "one-stop service" for small firms seeking state permits and licenses by supplying all the required forms and informational guidance on their completion.

A Pennsylvania Minority Business Development Authority was established in 1974 to provide state loans to minority and disadvantaged businesses. State offices are located in Philadelphia, Pittsburgh, and Harrisburg for minority applicants. Pennsylvania has a minority procurement program. Formal set-asides for minority and disadvantaged firms do not exist, but state procurement agencies have goals of \$25 million in awards.

Contact: Pennsylvania Minority Business Development Authority, Department of Commerce, 406 South Office Building, Harrisburg, Pennsylvania 17120. 717/783-1127.

Mississippi

The Mississippi Small Business Clearinghouse, a part of the Mississippi Research and Development Center, is the contact point for small businesspersons

seeking assistance. It publishes a monthly newsletter, *Mississippi Minority News Digest*, which is mailed to minority business persons.

Another agency providing direction to the state's businesses and industries is the Department of Economic Development. Its Small Business Assistance Department issues loans and loan guarantees to new and expanding small businesses. Additionally, this agency gives exporting assistance and has an outreach program to make Missisippians aware of the various business services available to them.

Contact: Mississippi Research and Development Center, 3825 Ridgewood Road, Jackson, Mississippi 39211. 601/982-6334.

Minnesota

The Small Business Assistance Center is a part of the Program of Business Information of the Minnesota Department of Energy and Economic Development. The center serves as a clearinghouse and referral service for information needed by small businesses.

The Minnesota Small Business Procurement Act is designed to help resident small businesses to sell their goods and services to the State of Minnesota. It requires 25 percent of all state purchases, including printing and construction, to be set aside and offered first to small businesses and Minnesota correctional industries. In addition, 24 percent of that 25 percent—or six percent of all purchases made by the state through the Department of Administration—are to be offered first to businesses owned and operated by persons who are socially or economically disadvantaged.

Contact: Small Business Center, Economic Development Division, Minnesota Department of Energy and Economic Development, 100 Hanover Building, 480 Cedar Street, St. Paul, Minnesota 55101. 612/296-5011.

KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT

Minority Business Division
503 Kansas Avenue, Sixth Floor, Topeka, Kansas 66603
Phone (913) 296-3805



JOHN CARLIN
Governor

CHARLES J. "Jamie" SCHWARTZ
Secretary

COMMITTEE TESTIMONY

TO: Chairman & Members of the House Ways &
Means Committee

FROM: Billy Q. McCray - Director
KDED - Minority Business

RE: **HB2235** - Creating a Surety Bond Guarantee
Program for Small Contractors

DATE: February 18, 1985

Mr. Chairman:

My name is Billy McCray and we at KDED's Minority Business Division support the concept embodied in HB2235.

HB2235 defines "Bid Bond" and "Performance Bond" and further states that Kansas, acting through the Secretary of the Department of Administration, may prescribe, guarantee, and enter into commitments to guarantee and surety against loss as a result of a breach of the terms of a bid bond or a performance bond by a principal on any contract, subject to certain conditions, and of course, those conditions are spelled out in Representative Cribbs' bill.

This bill does not mandate a direct fiscal impact on the states revenue but it could initiate a couple of actions which could help small contractors.

- 1) If the state decides to enter into a commitment assuring the bond issuer against surety loss then the issuer will be more acceptable to writing either a bid or performance bond for the small contractor. This will also make the sub-contractor more "attractive" and more credible to the prime contractor and could result in more business transactions between prime and sub.
- 2) Even if Section 2 of HB2235 is only used sparingly, the passage of this legislation would denote that it is the public policy of the State of Kansas to make bid and performance surety bonding as accessible as possible for small contractors within reasonable limitations. It would also allow a small incentive and encouragement to a segment of our society who are severely over-regulated and bear the brunt of federal and state taxes.

Maryland and Pennsylvania have rather assertive bonding programs for specific small contractors, but we believe that HB2235 is designed for Kansas and would assist many of the small and minority contractors that we work with.

Mr. Chairman, with the sponsors permission, I would like to recommend that both HB2235 and HB2233 be ammended to utilize the Secretary of Kansas Department of Economic Development instead of the Secretary of Administration.

2/18/85


REPORTS OF STANDING COMMITTEES

Your committee on Ways and Means

Recommends that SB 25

"AN ACT relating to interstate cooperation; concerning the Kansas Commission on Interstate Cooperation and the senate committee on interstate cooperation; amending K.S.A. 46-401 and K.S.A. 1984 Supp. 46-404 and repealing the existing sections.

be passed.


Chairman.