

Approved April 13, 1991
Date

MINUTES OF THE Senate COMMITTEE ON Labor, Industry and Small Business

The meeting was called to order by Senator Alicia L. Salisbury at
Chairperson

1:30 ~~xxxx~~ p.m. on April 9, 1991 in room 527-S of the Capitol.

All members were present except:

Committee staff present:

Jerry Donaldson, Legislative Research Department
Gordon Self, Revisor of Statutes Office
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee:

Senator Eugene Anderson
Bill Morrissey, Assistant Director, Workers Compensation, Department of Human Resources

Senator Morris moved to approve the minutes of March 28 and April 3, 1991. Senator Strick seconded the motion and the motion passed.

SB 438 State contracts for minority business enterprise and female business enterprise

Senator Eugene Anderson testified SB 438 is a new Small Business Procurement Act. The Act was originally passed in 1978 and expired on July 1, 1988. SB 438 is new legislation that will serve to increase the participation of minority and female business in contracts awarded by the state, see Attachment I. He requested an interim study on SB 438.

Senator Ehrlich moved that the Chairman write a letter to the Legislative Coordinating Council requesting an interim study on SB 438. Senator Oleen seconded the motion. The motion passed.

HB 2196 Workers compensation, employee choice of health care provider

The Chairman informed the Committee she had received several requests from the Chiropractic Association to act on HB 2196 that would amend the Workers Compensation Act to provide employee choice of initial health care provider. Since the bill was not referred to the Committee until April 5, the Chairman recommended the issue in HB 2196 be among those included in the Committee's request for an interim study on the state's Workers Compensation system.

SB 425 Workers compensation, qualification as self-insurer for new owners

Bill Morrissey, Assistant Director, Workers Compensation Division, Department of Human Resources, Topeka, distributed an amendment to SB 425. The amendment would replace subsection (f) on pages 2 and 3, see Attachment II. He explained the amendment would waive the five year requirement for a new company to apply to become a self-insurer, if they meet the requirements set forth in the amendment. The amendment provides if the new company is purchasing an existing self-insured Kansas firm, plant or facility that has been in continuous operation in Kansas for at least 10 years; has generated an after tax profit of at least one million dollars annually for the preceding three consecutive years; and has a ratio of debt to equity of not greater than 3.5 to 1, then they would be eligible to apply to become a self-insurer.

Senator Sallee moved to amend SB 425 by substituting a new subsection (f) on pages 2 and 3 submitted by the Workers Compensation Division. The motion was seconded by Senator Martin. The motion passed.

Senator Sallee moved to report SB 425, as amended, favorably for passage. Senator Morris seconded the motion. The motion passed.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Labor, Industry and Small Business,
room 527-S, Statehouse, at 1:30 ~~xxx~~p.m. on April 9, 1991

HB 2207 Workers compensation, repetitive use conditions occurring in oposite upper extremities

Senator Petty moved to report HB 2207 favorably for passage. Senator Martin seconded the motion.

Senator Morris made a substitute motion to table HB 2207. Senator Thiessen seconded the motion. The motion passed.

Senator Ehrlich made a motion that the Chairman write a letter to the Legislative Coordinating Council requesting an interim study on HB 2207 and HB 2313. Senator Thiessen seconded the motion. The motion passed.

The Committee meeting adjourned at 2:15 p.m.

STATE OF KANSAS

EUGENE (GENE) ANDERSON
SENATOR, DISTRICT TWENTY-NINE
SEDGWICK COUNTY
P.O. BOX 4598
WICHITA, KANSAS 67204



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
RANKING MINORITY MEMBER: FEDERAL AND STATE
AFFAIRS
MEMBER EDUCATION
PUBLIC HEALTH AND WELFARE
FINANCIAL INSTITUTIONS AND INSURANCE
LEGISLATIVE EDUCATIONAL PLANNING
COMMITTEE
NCSL EDUCATION AND JOB TRAINING
COMMITTEE

February 15, 1991

Honorable Joan Finney
Governor, State of Kansas
State Capitol Building
Second Floor
Topeka, Kansas 66612

Dear Governor Finney:

My office is in the process of finalizing some information to re-introduce the Small Business Procurement Act which was allowed to sunset during the Hayden administration.

The Act was passed in 1978 with the goal of insuring that a fair proportion . . . at least but not limited to ten percent (10%) of the total dollar amount of State purchases . . . be placed with small businesses.

The law placed the responsibility of implementing the provision set out upon the Secretaries of Administration and Transportation, and they were required to report progress in achieving the goal set out in the Act.

In 1984, the legislature extended the Act after clarifying the definition minority and to include handicapped and women owned businesses under the Act.

A report presented by the Department of Administration on February 4, 1986 to the Legislature showed the State of Kansas expending \$348,234,587.06 for goods and services. Small businesses received 31.35% (\$109,171,543.04) of that amount while, minority owned businesses received only three-tenths (.36%) or \$1,253,644.51 of the total.

While small business did well under the Act, minority owned small businesses saw little growth and remained constant at (.36%) in 1983, 1984, and 1985. Needless to say, this does not speak well for our State or previous Administrators.

At this time, I do not envision this proposal as having any set-aside provisions, however, I do plan to have the Act reflect attainable goals to correct the inequities that are both apparent in the present system and inherent throughout the system.

L. J. A. B.
4/9/91

Attachment I
1-1

Honorable Joan Finney
February 15, 1991

Page two:

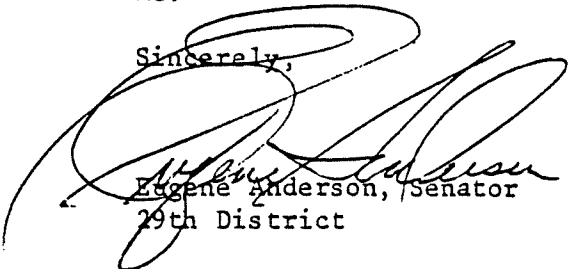
The Supreme Court ruling of 1989, (Richmond vs Croson) forced several States to review the programs they had in place to insure minority participation and several States have modified their programs to comply with the guidelines set by the Courts.

On several occasions, you have stated your intent to increase the involvement of minorities in State Government. One way of accomplishing that goal, is to improve the opportunity for minority owned businesses to participate in State procurement projects.

The State of Kansas should be a leader in the effort to be inclusive, and I believe private industry will do likewise and as Chief Executive of our State, your active role in achieving some much needed equity in our system is most crucial and much needed.

If you have questions or would like to discuss this matter further, please contact me.

Sincerely,



Eugene Anderson, Senator
29th District

EA/v

cc: Representative Theo Cribbs
Representative Sherman Jones
Representative Robert Watson
Mr. A.E. Jackson, President/NBL
Mr. Sam Jordan, President
Concerned Citizens for Economic Change

4/9/91

Att I
1-2

STATE OF KANSAS



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor
State Capitol, 2nd Floor
Topeka, KS 66612-1590

913-296-3232
1-800-432-2487
TDD# 1-800-992-0152
FAX# (913) 296-7973

February 21, 1991

The Honorable Eugene Anderson
Kansas State Senator, 29th District
Statehouse, Room 404-N
Topeka, KS 66612

Dear Senator Anderson:

Governor Finney thanks you for your letter regarding re-introducing the Small Business Procurement Act. She also shares your concern for involvement of minorities in state government through providing opportunities for minority owned businesses to participate in state procurement projects.

Please let our office know how we can be of assistance to you in this matter. We would appreciate you letting us know, Senator, what we can do at the most appropriate time.

Please contact me at 296-2785 if I may be of further assistance.

I am sending your letter and my response back to the Governor for her review.

Yours very truly,

A handwritten signature in cursive script that reads "Gary".

Gary Reser
Legislative Liaison

GR:PH:km

C: Governor Finney

4/9/91
Att I
1-3

Senate Bill 425

Strike the amendatory language which begins at page 2, line 29, and continues through page 3, line 8, and replace it with the following language.

(f) A private firm shall not be eligible to apply to become a self-insurer unless it has been in continuous operation for at least five years or is purchasing an existing self-insured Kansas firm, plant or facility and the operation of the purchased firm, plant or facility (1) has been in continuous operation in Kansas for at least ten years; (2) has generated an after-tax profit of at least one million dollars annually for the preceding three consecutive years; and (3) has a ratio of debt to equity of not greater than 3.5 to 1. As used in this subsection "debt" means the sum of long term borrowing maturing in excess of one year plus the current portion of long term borrowing plus short term financial institution borrowing plus commercial paper borrowing, and "Equity" means the sum of the book value of stock plus paid-in capital plus retained earnings.

L. J. A. B.
4/9/91

Attachment II