

Testimony before Senate Commerce Committee
Senate Bill 318- employment requirements in state contracts
Presented by Eric Stafford, Senior Director of Government Affairs



Thursday, February 9, 2012

Madam Chairman and members of the committee:

My name is Eric Stafford. I am the Senior Director of Government Affairs for the Kansas Chamber. Thank you for the opportunity to speak to you today in opposition to Senate Bill 318.

SB 318 establishes a new requirement for companies seeking to obtain state contracts and certain tax incentives that at least 70% of the employees assigned by the company on the project must be Kansas workers.

While the goal of this legislation might be to create jobs for Kansans, this bill could have the opposite effect. Businesses looking to establish a presence in our state with headquarters (and majority of their workforce) out of state would not be eligible for state contracts or tax incentives under the provisions in SB 318.

We oppose legislation which places mandates on businesses such as those included in SB 318 instead of allowing free market competition for all companies seeking state contracts. In order to be competitive in today's market, Kansas must offer economic development incentives such as the PEAK program which would also fall under the 70% requirement under this bill. We have seen the effectiveness of those programs this year where numerous companies located in Kansas City, Missouri have relocated to Kansas to take advantage of the savings. Another example would be the MARS plant announced this year in Topeka where company representatives stated the benefits offered by the state were a significant factor in the decision process by the company on the location for their new facility.

Until the legislature takes the necessary steps to improve the tax climate in our state, these incentive programs are essential to attract new businesses to Kansas. A new requirement for eligibility requiring a certain percentage of Kansas workers simply makes no sense and will not lead to job growth in our state.

Thank you for the opportunity to speak in opposition of SB 318.

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The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.

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Senate Commerce Committee

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Attachment 5