

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Don Dahl at 9:00 a.m. on January 29, 2004 in Room 241-N of the Capitol.

All members were present.

Committee staff present:

Jerry Ann Donaldson, Legislative Research Department  
Norm Furse, Revisor of Statutes  
June Evans, Committee Secretary

Conferees appearing before the committee: Jim DeHoff, Executive Secretary Treasurer, AFL/CIO  
Martha Gabehart, Kansas Commission on Disabilities  
Shari Coatney, Statewide Independent Council of Kansas  
Elias Garcia, Director, Kansas Advisory on Hispanic Affairs  
Danielle Dempsey-Swopes, Executive Director, Kansas African American Affairs Division  
Ami Hyten, Topeka Independent Resource Center  
Representative Patricia Barbier-Lightner  
Representative Dale Swenson  
Marlee Carpenter, KCCI  
Matt Jordan, Governor's Office  
Jeff Kniep, Grow Kansas

Others attending:

See Attached List.

The Chairman opened the meeting at 9:00 a. m. and asked if there was anyone wishing to request bill introductions.

Representative Johnson moved and Representative Novascone seconded to introduce legislation adding licensing to manufactured housing installers. The motion carried.

The Chairman announced there would be a tour of the Customer Service Center, Kansas Department of Human Resources on Monday, February 3<sup>rd</sup>. The Trolley would arrive at 8:45 a.m. at the South Steps and the tour would depart at 9:00 a.m.

The Chairman opened the hearing on **HB 2435 - Transfer of the Advisory Committee on Hispanic Affairs.**

Staff gave a briefing on **HB 2435.**

Representative Ruff commented that she had met with some of the conferees that asked for some revisions and she advised that a Substitute Bill would be cleaner and clearer. Mr. Garcia would present a Substitute Bill.

Martha Gabehart, Executive Director, Kansas Commission on Disabilities (KCDC), testified as a proponent to **HB 2435.** **ERO 31** moves the Division of Employment and Training and KCDC out of the Kansas Department of Commerce. Because of KCDC's employment focus and current close relationship with the Division of Employment and Training, KCDC respectfully requests striking all references to the KCDC concerns from **HB 2435** (Attachments 1 & 2).

Shari Coatney, Statewide Independent Living Council of Kansas, (SILCK), testified as a proponent to **HB 2435.** As mandated by the federal Rehabilitation Act as amended, the SILCK is governor appointed, consumer controlled and comprised of statewide and cross-disability representation. The Council continually seeks input from Kansans with disabilities on how the landscape of Kansas public policy can change so that people with disabilities are less dependent on public assistance. SILCK's primary purpose is to facilitate and promote the independent living philosophy, freedom of choice and equal access to all facets of community life for people with disabilities through systems change activities. SILCK supports the amendments that would transfer duties and resources to SILCK (Attachment 3).

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Ami Hyten, Assistant Executive Director, Topeka Independent Resource Center, testified as a proponent to **HB 2435** with amendments relating to the proposal to move KCDC out of the Department of Human Resources and into the Governor's office. In essence, these amendments would bring into state law existing federal authority for the SILCK, and propose to move the functions of the KCDC within SILCK (Attachments 4&5).

Elias L. Garcia, Executive Director, Kansas Advisory Committee on Hispanic Affairs (KACHA), testified in support of **HB 2435** with proposed changes. The proposed changes would: (1) move KACHA out of the Department of Human Resources and under the auspices of the Governor's office where the framers of this legislation originally intended it to be. (2) change the name of this agency from KACHA to Kansas Hispanic and Latino American Affairs Commission (KHLAAC) and (3) changing the word committee to a commission which would make KACHA consistent with our fellow commissions (Attachment 6).

Danielle Dempsey-Swopes, Executive Director of Kansas African American Affairs Division (KAAAD), unanimously supports **HB 2435** with amendments. It is strongly believed that organizational restructuring is needed to enhance their ability to carry out the responsibilities as mandated by state statute. It is believed the removal of KAAAD from the Division of Human Resources (DHR) and placed under the authority of the Office of the Governor, would give the commission the appropriate standing to carry out KAAAD's strategic plan and to fully serve all citizens of the state (Attachment 7).

The Chairman closed the hearing on **HB 2435**.

The Chairman opened the hearing on **HB 2524 - Enacting the American Jobs Act, restricting contracts to foreign contractors**.

Staff gave a briefing on **HB 2524**.

Representative Dale Swenson testified as a proponent to **HB 2524**. States are contracting out work typically performed by state residents to companies that ship the jobs overseas. A study done by the University of California-Berkeley, said the United States could lose as many as 14 million white-collar jobs as a result of the new outsourcing trend. **HB 2524** would ensure that state tax dollars are used to create state jobs and stabilize the state tax base by prohibiting Kansas from contracting with companies that ship work offshore. Vendors submitting a bid or contract to provide services for the state shall certify that the services covered by the bid or contract would be performed in the United States. If, during the life of the contract, the contractor or subcontractor shifts work overseas, the agency shall require the contractor or subcontractor to pay damages in an amount equal to the amount paid by the agency for the percentage of outsourced work. The agency shall also terminate the contract for noncompliance. The agency shall be entitled to bring a civil action in state or federal court to compel enforcement under this statute. The court shall award reasonable attorney's fees and costs to the agency (Attachment 8).

Representative Patricia Barbieri-Lightner testified in support of **HB 2524** stating the bill simply provides that when our state agencies and its subdivisions want to contract for services with private vendors that those services, including any subcontract services, would not be outsourced internationally (Attachment 9).

Jim DeHoff, Executive Secretary Treasurer, AFL/CIO, testified in support of **HB 2524** because of major outsourcing to countries outside the United States. This makes a statement to retain jobs in Kansas (Attachment 10).

Jeff Kniep, Coordinator, Grow Kansas, testified in support of **HB 2524**. It is believed that **HB 2524** is going in the right direction of addressing outsourcing and taking jobs away from Kansas residents (Attachment 11).

Marlee Carpenter, Vice President of Government Affairs, Kansas Chamber of Commerce and Industry, testified in opposition of **HB 2524**. The Kansas Chamber believes that to grow the Kansas economy an environment needs to be created where businesses can grow. Kansas needs to focus on the underlying costs, not penalties for businesses that make business decisions (Attachment 12).

Denise Moore, Director, Department of Administration, Division of Information Systems and

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Communications, testified on the affect **HB 2524** would have on information technology in the state. While the state may not directly contract with an offshore company, the state does contract with companies likely to have some portion of their operations in a foreign country. It is difficult to know if a vendor subcontracts part of their development or support work outside the United States. Even when application software is purchased from a vendor who certifies that they do not engage in international outsourcing at the time of the purchase, it might be difficult to determine if the vendor later shifts work outside the United States. Because **HB 2524** has the potential to affect all information technology related products and services procured by the State of Kansas, she would encourage the committee to act with care when considering this bill (Attachment 13).

Matt Jordan, Director of Community Development, Kansas Department of Commerce, shared the Department's concerns with respect to the current version of **HB 2524** and how it could limit the ability to attract new companies and jobs to Kansas. The bill precludes state agencies from engaging the services of private contractors from a location outside the United States (Attachment 14).

The Chairman closed the hearing on **HB 2524**.

Written testimony was provided by Trudy Aaron, Executive Director, American Institute of Architects in Kansas (Attachment 15).

The meeting adjourned at 10:40 a.m. and the next meeting will be January 30.