

Testimony for
HB 2450
SMALL & DISADVANTAGED BUSINESS DEVELOPMENT ACT

By Rhonda Harris
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My name is Rhonda Harris. I am currently serving as the Director of the Office of Minority and Women Business Development within the Kansas Department of Commerce. I have served in this capacity for twelve years. Prior to position, I served as the Certification Specialist for this same office for seven years.

In the years that I have been with Commerce, we have experienced two key expansions to the Minority and Women Business program, which has allowed more opportunities for minority and women owned businesses. One expansion occurred in August 1994, when Governor Joan Finney signed Executive Order 94-169 creating a Single Source DBE Certification Program in Kansas. This program established a partnership between the Kansas Department of Transportation and the Kansas Department of Commerce. It replaced all local Kansas DBE certification programs with one centralized certification and supportive service center. The other expansion took place in June of 2008 when Governor Kathleen Sebelius issued Executive Order 08-08 which allowed us to expand the program to offer MBE (Minority Business Enterprise) and WBE (Women Business Enterprise) Certification.

It should be noted that we utilize 49 CFR, Part 26 in administering all certifications. Currently, we have 284 companies certified under our certification program (This number does not include certifications issued by the Kansas Department of Transportation). 39% or 111 companies hold two certifications of DBE and WBE. 29.6% or 84 companies hold two certifications of DBE and MBE. 13 % or 37 companies hold all three certifications (DBE/MBE and WBE) and the remaining companies hold only one of the following designations of MBE, DBE or WBE.

The majority of the companies certified by our agency utilize the certification to gain access to procurement and contracting opportunities that exist with private corporations. Other certified businesses use the certification to work in other states and must show proof of home certification. Then there are those businesses that use the certification to bid on federal and local opportunities where goals have been established to contract with minority and women owned businesses. Businesses certified by us are listed in a directory of certified businesses that is available to entities seeking their services. The certifications are reviewed and updated every three years.

In addition to providing certification, our office offers the following services: workshop opportunities for minority and women owned businesses through various partnerships we maintain with economic development agencies, chambers, and other organizations throughout the state. We provide general business assistance and direction to women and minority business owners to include technical, financial, business management and procurement information. We serve as a

referral source and connect business owners to resources in their geographical area regarding starting a business, permits, licensing and business planning. Through networking opportunities we provide businesses exposure and visibility to potential clients. Including me, we have two people working to fulfill the duties of this office.

Our office understands that the intent of this current legislation is to boost economic development within the State of Kansas by creating new jobs and increasing tax revenues by enhancing participation of Kansas small businesses, which includes minority and women owned businesses in the State's procurement and contracting process. Many of our business clients would benefit from this legislation.

However, as you are aware, this bill calls for employing an assistant director, a secretary and a contract compliance officer. Commerce has estimated the cost for these additional positions based on classified salary figures to be about \$210,000. Financing these positions would be critical in order to implement and administer these expanded services.

In closing, we do understand that the purpose of this legislation is to create a program whereby small, minority and women owned businesses can share in obtaining contract and procurement opportunities from within the state purchasing process. It appears as if this act would aid in economic development, create jobs and increase tax revenues for the state. Although our position is neutral, if this bill were to pass, Commerce would do it's best to carry out the goals and objective as outlined.

Thank you for allowing this testimony.

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