

SESSION OF 2017

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2356**

As Amended by House Committee on  
Commerce, Labor and Economic Development

**Brief\***

HB 2356, as amended, would revise provisions of the state's bidding process as it relates to the definitions of "certified business" and "individual with a disability." Under current law, most contracts are awarded to the lowest responsible bidder. However, a contract may be awarded to a certified business (or a disabled veteran business) whose bid is not more than 10 percent greater than the lowest competitive bid.

A certified business must conduct most of its operations in Kansas, employing at least 10 percent of its workforce with individuals that have disabilities, contributing at least 75 percent of their health insurance premium costs, and not paying a subminimum wage, which is allowable under federal law. The Department of Administration (Department) would certify businesses every three years instead of annually.

An individual could be certified as having a disability by either the Kansas Department for Aging and Disability Services (KDADS) or the Kansas Department for Children and Families (KDCF), using the disability standards established by the U.S. Social Security Administration as determined by the Kansas Disability Determination Services within KDCF. Under current law, disability certification is determined by KDADS using a clinical assessment.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

During the hearing before the House Committee on Commerce, Labor and Economic Development, representatives from the Coalition for Opportunity and the Cerebral Palsy Research Foundation of Kansas spoke in support of the bill, stating the legislation would streamline the certification process. Currently, employed individuals with disabilities must obtain annual verification of their conditions from their physicians in order for a business to remain certified.

Representatives from various disability rights organizations spoke in opposition to the bill, expressing concern the legislation encourages the employment of individuals with certain disabilities over others whose disabilities are not as severe.

The House Committee amended the bill to include disability standards established by the U.S. Social Security Administration in the definition of an individual with a disability. This amendment was suggested in opponent testimony.

According to the fiscal note prepared by the Division of the Budget, additional certifications processes could be handled within existing resources and operations. The Department states that if there is an increase in the number of certified businesses, there could be an increase in procurement costs, which would depend upon the value of the product or service acquired.