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**Testimony in Opposition to SB 211  
Senate Assessment and Taxation Committee  
March 15, 2017**

**Chair Tyson and members of the Committee:**

My name is Mike Burgess. I am the Director of Policy & Outreach at the Disability Rights Center of Kansas (DRC). DRC is a public interest legal advocacy organization that is part of a national network of federally mandated organizations empowered to advocate for Kansans with disabilities. DRC is the officially designated protection and advocacy system in Kansas. DRC is a private, 501(c)(3) nonprofit corporation, organizationally independent of state government and whose sole interest is the protection of the legal rights of Kansans with disabilities.

Madam Chair, thank you for the opportunity to share our opposition to the bill as currently drafted and our proposed changes for SB 211 that would remove our opposition.

As written, SB 211 creates a new incentive for “qualified vendors.” This bill as drafted allows using taxpayer dollars to incentivize the purchasing of goods and services from certain employers. The incentive is that it allows a 15 percent tax credit for all goods and services purchased from a “qualified vendor.”

The following are the two amendments we would like to propose to SB 211:

#1 - Page 2, by deleting all of lines 4 through 16 and inserting the following language in its place:

- (e) As used in this section, “qualified vendor” means that the entity:
- (1) is a “qualified vendor” pursuant to K.S.A. 75-3317, and amendments thereto, or is a “certified business” that is also a nonprofit organization pursuant to K.S.A. 75-3740, and amendments thereto;

- (2) pays minimum wage or above to all their employees in a manner that meets the definition of “competitive employment” pursuant to K.S.A. 44-1136, and amendments thereto;
- (3) meets the definition of employing all of their workers in an “integrated setting” pursuant to K.S.A. 44-1136, and amendments thereto; and
- (4) offers a qualified company-sponsored insurance plan under the affordable care act or pay the required subsidy to the internal revenue service for employees who purchase insurance through the open market, if a company-sponsored plan is not offered. If any such company is not covered under the affordable care act, and does not offer a company-sponsored insurance plan, such company must offer assistance to the employee to cover at least 75% of their health insurance costs through a health saving account or other legal and appropriate methodology.

#2 - On page 2, by adding to SB 211 the contents of 2017 HB 2356 with ONE change to the bill as introduced:

Page 3, by deleting all of lines 39 through 43 and in its place inserting the following:

“(iii) is an individual with a disability pursuant to the disability standards established by the social security administration as determined by the Kansas disability determination services under the Kansas department for children and families.”

**Reasons for these two amendments:**

The reason for the first change is to ensure the entities who are taking advantage of this incentive meet all of the criteria listed in the proposed amendment. There was another bill seeking to change the definition of qualified vendor that would include entities that pay subminimum wage. It is important to have our recommended language clearly a part of this act to ensure this important incentive is only available to vendors who are creating competitive and integrated employment opportunities for people with disabilities.

The second change which includes the changes to the language originally proposed in HB 2356 gives certified businesses the same incentive to hire any person with a disability, not just those who are eligible for HCBS services or have the diagnosis of “severe and persistent mental illness.” As the bill is written currently, there is an incentive to hire people with only certain disabilities. This is discriminatory. If

someone meets the social security definition of disability (as contained starting on line 26, sub A), then an employer should have the same incentive to hire that person as any other person who meets that definition of disability. The benefits to the state are the same for all people with disabilities who would qualify under this bill after our amendment is adopted.

Because private health insurance does not cover long term care or HCBS services, there is no reason why the incentive should be limited to HCBS eligible persons or those with label of “severe and persistent mental illness” (SPMI). In fact, thanks to mental health parity, private health insurance programs are far more likely to cover mental health services. Thus, state taxpayers would greatly benefit from anyone with a mental illness that qualifies as a disability under section A (lines 26-29) who is hired under this bill. Much of their mental health care could be covered under private health insurance, saving taxpayers from footing the bill under Medicaid.

Finally, and perhaps most convincingly, under federal law adults over 21 with mental illness CANNOT be served by an HCBS Waiver. Therefore, by limiting this to those who are HCBS eligible or the small number of SPMI Kansans is inherently wrong and smacks of discrimination.

If the proposed changes to both are adopted by the committee, we would no longer be opposed to SB 211.

Thank you for the opportunity to share our concerns and proposed changes with you. I would be happy to stand for questions at the appropriate time.