



Testimony Of
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HR 78 Legislative Package
Disadvantaged Business Reform Legislation

Good Morning Chairman Creighton and members of the Local Government Committee.

It is an honor to be here today with all of you to discuss the HR 78 Disadvantaged Business Legislative Package. I am humbled to sit before you knowing that each of you works very hard every day to serve the diverse population of commonwealth residents who have entrusted you to advocate for fairness and equality with your very important vote.

My name is Kristine Kirk and I am the founder and current owner of KKRK, Inc. d.b.a. Mentors Consulting and Training. We provide organizational behavior consulting and custom design, development and implementation of workforce training and stakeholder outreach programs for institutions, businesses and communities.

Prior to starting Mentors in 1994 I spent over 10 years with a large corporation in the Commercial Finance industry responsible for managing a portfolio of merger and acquisition clients. In the process of selling a middle market company in the workforce development industry, the vision for mentors was born and I started the company with the help of a generous angel investor. As planned after several years of success, I acquired the stock from my angel investor and I became majority shareholder. Today, KKRK/Mentors is a long standing State Certified Woman Business Enterprise (WBE)

My path to this microphone dates back more than 10 years. As I prepared my remarks, I was looking for current facts. I reviewed mounds of data and disparity studies with depressing statistics. I wanted to build a business case with demographic information and industry numbers.

But the words would not come to the surface because I was struggling how I felt, my emotions. So I decided to just tell you my story.

As you hear my story, please know that I am far from alone. There are thousands of Pennsylvania Certified Minority and Woman business owners who continue to experience the same exclusive, inequitable realities in State contracting at all levels. Yet as we struggle, small businesses in this state employ more than half of your constituents.

My story actually started as a young girl. I remember reading about civil rights in history books and hearing stories of racism and unfair treatment toward women. I remember that it made me cry as I empathized with folks on the front lines of the battle.

Then much later as a young woman when I emerged from a college campus in the mid 80's with a degree in Finance and Economics ready to trail blaze my way to wealth and happiness with a successful career.

But I was knocked of my pedestal of bliss when I entered the real world and learned for the first time that Pittsburgh's urban schools only graduated 70% of their children. Pittsburgh's black families are living in poverty and they can't feed their children. Parents did not have good schools to send their children to. Their teenage boys facing little opportunity were choosing guns to fight for food and clothing for their family.

Does this story from the 80's sound familiar to you?

Unfortunately, today, I understand that reputable studies show that our schools now graduate less than 50% of our black young men.

My facts based story as a women business owner brought me to you today. It started over 10 years ago after I somehow managed my company through near bankruptcy at the hands of Education leaders who breached a large contract for which we successfully delivered customized technology training teacher to hundreds of teachers.

Our Education leaders made decisions without my knowledge, my input or my consent. I spent thousands of dollars on legal fees to find out that I have an excellent case. But to defend my company, I was up against a very expensive legal process, an impressive team of lawyers, and an endless stream of tax dollars to pay their legal bills.

As a result, I had no choice but to lay off 4 people. Sell my home. Move my children to an undesirable rental. And rack up credit cards to clothe and feed them. My stellar credit rating was ruined.

But, I consider myself one of the lucky Minority or Women owned businesses because my company survived.

It was over 10 years ago that I came to Harrisburg looking for help only to learn firsthand there are few laws or programs to help support and protect Minority and Women owned businesses.

My greatest fears were confirmed. I learned that the playing field to win and retain a state contract starts with barriers to entry that are nearly impossible to overcome. Then, if we even make it to the playing field, we gain access to a competitive with inequitable rules of engagement that favor government and prime vendors.

It was 10 years ago that I learned that Pennsylvania Department of General Services procedures and PA Department of Education contracting policies are stacked in favor of prime contractors have a seat at the table.

Ten years later and Minority and Women still do not have a seat at the table and consistent programs to help us, or laws to protect us.

It was 10 years ago that I learned that decisions are made behind closed doors. State procurement folks and prime contractors ultimately decide when and how our hard earned, past due invoices will be paid and how our business will be included in contracting. And if we make too much noise, they commission another study.

Ten years ago, I confirmed that the only way Minority and Women businesses in my line of work can achieve revenue sharing is to participate in contracts where prime vendor negotiate our terms with DGS and other state contracting agencies, on our behalf.

Please understand that it is very difficult to run a business when one learns, after the fact, that a decision was already made that will negatively affect the finances of the businesses we run.

I have learned a lot in 10 years. But what I would like to do now is remind all us of what we have learned as a result of numerous, well documented, reputable studies that are often commissioned by government and academic institutions. Valuable research and current real life stories tell all of us every day that:

- By the last count, Minority and Women owned companies enjoy less than 5 percent of Pennsylvania's State spend. Yet our small businesses employ more than half the Commonwealth's population.
- Minorities and Women make less in salary than their professional counterparts.
- Minority and women only hold a small percentage of top level management positions in corporations.
- Minority and Women only hold a small percentage of leadership positions in Government.
- In an economic recession like we have today, minorities and women lose jobs at faster rates compared to our professional counterparts.
- In an economic recovery we find employment at much slower rates than our professional counterparts.
- Minority and women owned businesses suffer more severely in a down economy.
- Current reports of increasing gun violence and crime are on the rise in our predominately white, wealthier neighborhoods. Experts say that this violent behavior is due to the current recession and high unemployment rates as families face financial disaster. And in our black neighborhoods young men are murdered daily, at alarming and rapidly increasing new rates.

- Pittsburgh has one of the highest poverty rates in the country in its African American community.
- Young African American men are losing their lives to lack of opportunity and poverty.
- Young African American men are being profiled and beaten by white law enforcement officers.
- Alarming numbers of our black young men are being thrown in prison, or murdered. May I suggest that we could decrease the growing cost of our corrections system by simply providing better opportunities?

I challenge you to make the connection to what has been happening for generations in our impoverished black communities to what is currently happening across the country as people face recession and poverty.

I've been playing this equality game now since the mid 80's. I thought that I had been exposed to every fathomable demonstration of racism and exclusion.

Then, just last year Pennsylvania Governor Tom Corbett announced his Marcellus Shale Commission.

Everyone invited to participate on the Commission's pictures was displayed in full glory in the news. Our Governor told the world just last year what Pennsylvania Minority and Women business owners already know: The Commonwealth is not open to do business for Minority and Women Owned companies.

Once again, we were not invited to meetings. We do not have a seat at the table and we are not able to participate in discussions about important business growth and employment opportunities in Pennsylvania's rapidly emerging, and very profitable, Shale Gas industry.

Possibly now, we can all agree that we have enough reputable disparity studies. We have enough real life stories. We have enough pictures of appointed Commissions to understand that we, arguable, have a very big problem here.

If another government body wants to pay for another study, may I suggest that we research why our Commonwealth leaders promote exclusive behavior. Why I ask are we going backward, not forward, in state contracting?

For years under the last administration equal rights for our companies made progress under the direction of Deputy Secretary Peter Speaks and his staff.

A number of us were honored to serve Deputy Secretary Speaks for almost seven years and help him and the BMWBO staff in establishing well researched, working-in-other-states programs with defined best practices.

The work that was accomplished laid the groundwork for the HR 78 legislative package that we are discussing today.

We all know that this is not a partisan issue. With the change to this new administration we all had great hopes, confidence and the expectation that the Bureau of Minority and Woman Business Opportunities (BMWBO) under the direction of Deputy Secretary Peter Speaks leadership would, at a minimum, remain intact.

Unfortunately, DGS Secretary Shari Phillips' first order of business was to eliminate Deputy Secretary Speaks and cause a screeching halt to the continued development and implementation of programs with the promise and hope of fairness to DGS contracting process.

Arguably Peter, our leader, was one of the highest ranking black men in the Commonwealth. He accomplished great things and made solid progress for Minority and Women under difficult circumstances.

Yet he was eliminated just hours after Governor Corbett was sworn into office. Our leader was eliminated a few short hours ladies and gentlemen, without any discussion.

Since then, we have been stonewalled. Secretary Phillips denied numerous meeting requests to discuss our concerns. Secretary Phillips has confirmed for us over and over that the Commonwealth of Pennsylvania is not open for business to minorities and women.

We are one again, being "hung out to dry" and we don't know why.

In conclusion, I want to reiterate that it is an honor to testify before you today. I appreciate the time to tell my story and hope that some parts of it resonated with each of you.

I am humbled to sit in this great capitol building knowing that equal rights advocates who came before us actually shed blood, and sweat, and tears so that I have could enjoy the privilege to sit *calmly* before you to deliver my message.

I wish that I could tell you that I am *calm* inside. But I'm not. I am hurt, I am disappointed, I am shocked by our new Governor and his chosen leader's exclusive, rude behavior. And I am not alone.

My worst fear however is that one day, many years from now, my daughter might be sitting here telling her story and the advocating for equal rights.

Your vote to move legislative package HR 78 out of committee represents fiscal responsibility for small, minority, and woman owned businesses.

Your vote is for equality and the beginnings of a level playing field.

Your vote is for the responsibility we all have to protect and help our impoverished and imprisoned and to provide real opportunities for them to change their lives.

History has proven that true change occurs when all stakeholders have a seat at the table and are involved in discussions. Your vote is for all of us who do not have a seat at the table.

Your vote is about to do the right thing.

Please, I urge all of you to vote to move this long awaited, well researched best practices legislation out of committee and onto the next step.

Thank you again Chairman Creighton for the opportunity to testify today. I would be happy to answer any questions you may have.

