

Approved 3/5/85  
Date

MINUTES OF THE HOUSE COMMITTEE ON JUDICIARY

The meeting was called to order by REPRESENTATIVE BOB WUNSCH, VICE CHAIRMAN at  
Chairperson

3:30 <sup>xxx</sup> a.m./p.m. on February 19, 1985 in room 526-S of the Capitol.

All members were present except:  
Representatives Knopp and Teagarden were excused.

Committee staff present:

Jerry Donaldson, Legislative Research Department  
Mike Heim, Legislative Research Department  
Mary Ann Torrence, Revisor of Statute's Office - Excused  
Becca Conrad, Secretary

Conferees appearing before the committee:

Bud Grant, Kansas Chamber of Commerce and Industry  
Irv Robinson, Lenexa  
Bob Choun, Metro Air Conditioning Company  
Bob Segur, Farmland Industries  
Bill Graves, Assistant Secretary of State  
General Keith Weltmer, Special Assistant Secretary of State  
Jack Hull, Operations Manager of Dun & Bradstreet  
David Furnas, Executive Director of Kansas Press Association/Service, Inc.  
Suzanne Hardin  
Dr. Herbert Modlin, Psychiatrist, Menninger Foundation  
Commissioner Bob Barnum, Youth Services for Social and Rehabilitation Services  
John Willard, Attorney from Olathe

HB 2261 - Relating to corporations; concerning confidentiality of certain statements filed with the Secretary of State.

Representative Cloud spoke in favor of HB 2261. He said that it states a portion of the Kansas Domestic Annual Report should remain confidential. Item No. 9 of this report, which is listed as the Assets and Liabilities section and is the balance sheet of the corporation, should not be public information. He felt it should be classified as confidential. The bill, if it would become law, would simply say that the report would continue to be filed, the franchise tax would continue to be calculated, the franchise tax would continue to be charged on every corporation in the state; but the Item No. 9 would be required to be filed under a separate form and would be confidential.

The rationale behind this bill is that a number of business people have expressed concern about their corporate balance sheets being made available to the general public. Representative Cloud said there are many small business people across the state whose business oftentimes represents a very large percentage of their total personal net worth. The major concern is that the small business people's total net worth is available for public review by anyone - friends, neighbors, and competition who might wish to make use of that financial information to the detriment of the running of their corporation. He said whoever is wanting this information can go directly to that business and request it from them.

Bud Grant, Kansas Chamber of Commerce and Industry, also spoke in favor of this bill. He said they certainly recognize the need for information to be public and for public corporations, and they see it as no problem. Two compromises that could be considered are as follows: 1.) limit to privately held corporation and not make it for all foreign and domestic corporation; and 2.) make this information confidential on a request basis only.

Representative Douville had the following two concerns: 1.) the track records of other states as to whether they have adopted this; and 2.) whether or not this helps the criminal element when records are hidden and whether or not the records would be open to reports of agencies that wanted to inspect these records to determine whether there had been criminal activity.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON JUDICIARY,  
 room 526-S, Statehouse, at 3:30 ~~xxxx~~ a.m./p.m. on February 19, 1985

Mr. Grant stated that most of the surrounding states do not require this and some had actually gone the other direction and had it removed. Concerning the criminal element, he stated that he could not speak for that area but felt that there would be no problem with that.

Irv Robinson, Lenexa, spoke in favor of HB 2261. He said the biggest problem with this bill is what it does from a competitive standpoint. Any one of his competitors, if they have any financial ability whatsoever, can take a series of these balance sheets and can tract to see what he has done in his business from a financial standpoint. Also they can figure out from the fiscal and strategic standpoint the things he has done in his corporation. He said if there was a concern about a company being a shell corporation, a simple statement of net worth would be fine. But he felt there was no reason that every single financial element should be open to anyone.

Bob Choun, Metro Air Conditioning Company in Lenexa, Kansas, also spoke in support of this bill. He said that his business is different from others because it is a union shop. When this data is made available to negotiating teams to be used on the other side of the table from him, they can be used against him in arbitration and negotiation.

Representative Vancrum testified in favor of this bill. He said that as an attorney, he has the first-line responsibility to tell people what is going to be public information and a lot of them decide right then that they will not incorporate in Kansas.

The other point he wanted to make is that the surrounding states have determined that this information does not have to be disclosed. He said that the credit rating agencies can get this information from other sources. They can go to the company itself to obtain this information. He did feel that one amendment needs to be made to this bill which would be to add language as far as disclosing this information to a criminal justice agency for investigative purposes.

Bob Segur, Farmland Industries, opposed this bill as shown in Attachment No. 1. He stated that he looks at financial statements solely on the basis of whether or not he will approve an account, but if he does not have any information he will turn them down. He stated that they use the Secretary of State's financial statement to compare it with the statement a client sends him. This is to verify the accuracy of the statement. He also said they use the Secretary of State's statement for expediency reasons because they don't have time to write on decisions that have to be made in two or five minutes.

Bill Graves, Assistant Secretary of State, spoke in opposition to this bill. He said from an administrative and fiscal standpoint, the Secretary of State's office has no objections. He asked the committee to address the merits of closing corporate records which have been open to the public for decades. When individuals choose to form a corporation in Kansas, they receive significant benefits from the State, such as limited liability. With this limited liability, the assets of the corporation become the only assets the consumer or other creditors can reach. He said there are also some other tax benefits. The State asks in return for these benefits a disclosure of a limited amount of financial information which helps make a corporation accountable to the public and the State. This accountability is vital to the consumers, other businesses, lawyers and law enforcement personnel. Mr. Graves stated that the Secretary of State's office is one of the few places where a person can obtain limited information about whether a corporation is legitimate, if it has any assets or if it is just a worthless corporate shell. In a small way the availability of this information offers consumers protection from corporation fraud. He said also that this information may be the key for attorneys and law enforcement personnel to resolve civil suits or criminal cases.

General Keith Weltmer, Special Assistant Secretary of State, former professor at University of Kansas, Kansas' first Legislative Post Auditor, and former Secretary of Administration discussed the nature of the financial information contained in the annual report. He showed a view draft of the following: 1.) copy of HB 2261; 2.) copy of K.S.A. 17-7503; 3.) the form of a balance sheet showing assets, liabilities and net worth; and 4.) a statement. General Weltmer said that from this statement there is no income information, no way to tell the amount of overhead of a company, no way to tell the margin of profit, no way to tell the age of the liabilities, whether the accounts payable are current or overdue, whether the accounts receivable are current or overdue, or whether you can use this as reserve for bad debts. He said it does tell the consumer something about the firm -- whether to extend credit to it, whether to buy a few shares of stock, a list of the principal officers of a corporation, etc.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON JUDICIARY,  
room 526-S, Statehouse, at 3:30 ~~a.m.~~/p.m. on February 19, 1985

Jack Hull, Operations Manager of Dun & Bradstreet in Wichita, Kansas, spoke against HB 2261 as shown on Attachment No. 2.

David Furnas, Executive Director of Kansas Press Association/Service, Inc., appeared in opposition to this bill as shown in Attachment No. 3.

HB 2262 - Concerning children; relating to custody of children in need of care and children of parties to domestic relations actions.

Representative Vancrum introduced Suzanne Hardin who spoke in favor of this bill as shown in Attachment No. 4.

Dr. Herbert Modlin, M.D., Psychiatrist at the Menninger Foundation, also gave testimony in favor of HB 2262 as shown in Attachment No. 5.

Commissioner Bob Barnum, Youth Services for Social and Rehabilitation Services, spoke in favor of this bill. He said that by policy their department, whenever possible, seeks to retain sibling relationships in family ties. Their first objective is to reintegrate a family. From his experience he has found that a sound placement with a nearby relative has the least probability of breaking down and potentially has the best possibility of providing an assistance to reintegrate the family.

Commissioner Barnum stated that the SRS did have concerns with page 2, lines 62-64 of HB 2262. He said that it appears this may be discriminatory against the non-custody parents; and unless parental rights have already been terminated or relinquished, they think they would have to notify the non-custodial parent or there would be a break down with the one having custody at the current time. Also, on lines 124-126 they have concerns that the language is rather broad and would be hard for the court to define. However, they do feel that the bottom line thrust of the bill is clarified in lines 129-133 and it sets out specifically that they would try to look to those alternatives as a first resort. He also stated that the bill restricts the problem of notification to the entire extended family. If that were to be challenged and they would get into the laundry list game of "we need to insure that every close relative", that could work to the detriment of the child and there would be an extended time frame. He said the time frame is lessened with the restricted mail and the notification of one significant person seems to be reasonable and managable.

John Willard, attorney from Olathe, also testified in favor of HB 2262 as shown in Attachment No. 6.

The minutes of January 29, 1985 were approved.

The meeting was adjourned at 5:20 p.m.

STATEMENT OF FARMLAND INDUSTRIES

BEFORE THE JUDICIARY COMMITTEE

HOUSE OF REPRESENTATIVES  
KANSAS LEGISLATURE

HEARINGS ON H.B. 2261  
CORPORATE PUBLIC DISCLOSURE

FEBRUARY 19, 1985

Attachment No. 1  
House Judiciary  
February 19, 1985

GOOD AFTERNOON, MY NAME IS R. B. SEGUR FROM FARMLAND INDUSTRIES. I AM RESPONSIBLE FOR CREDIT DECISIONS ON COMMERCIAL ACCOUNTS FOR FARMLAND INDUSTRIES.

FARMLAND INDUSTRIES IS A REGIONAL FARM SUPPLY MANUFACTURING AND MARKETING COOPERATIVE OWNED BY 2,300 LOCAL COOPERATIVES IN 19 MIDWESTERN STATES. OF THESE COOPERATIVES, 230 ARE LOCATED IN KANSAS AND ARE IN TURN OWNED BY 150,000 FARMERS, RANCHERS, AND RURAL CITIZENS. FARMLAND INDUSTRIES IS PLEASED TO HAVE THE OPPORTUNITY TO OFFER COMMENT BEFORE THE HOUSE JUDICIARY COMMITTEE RELATIVE TO HOUSE BILL 2261 WHICH WOULD ALTER EXISTING LAW KSA 17-7503 AND 17-7505 AND RESTRICT PUBLIC DISCLOSURE OF CORPORATE FINANCIAL INFORMATION. THIS PENDING ACTION WOULD GREATLY LIMIT REPORTING AGENCIES THAT FURNISH SUCH INFORMATION TO COMPANIES EXTENDING CREDIT SUCH AS WHOLESALERS, MANUFACTURERS, BANKS, AND EVEN GOVERNMENT AGENCIES. IT WOULD HAVE AN ADDITIONAL SIGNIFICANT IMPACT ON THOSE ENTITIES WHO DO NOT USE CREDIT REPORTING AGENCIES AND DEPEND SOLELY ON THE SECRETARY OF STATE'S OFFICE FOR SUCH INFORMATION.

FARMLAND INDUSTRIES AND FAR-MAR-CO, THE GRAIN MARKETING SUBSIDIARY OF FARMLAND, AND OUR OWNER COOPERATIVES UTILIZE THIS INFORMATION, EITHER DIRECTLY THROUGH THE SECRETARY OF STATE'S OFFICE, OR INDIRECTLY THROUGH CREDIT REPORTING AGENCIES. THE EFFECT OF HOUSE BILL 2261 WOULD SEVERELY IMPAIR COOPERATIVES, OTHER CORPORATIONS, AND OTHER LEGITIMATE BUSINESSES FROM SECURING INFORMATION NECESSARY TO MAKE SOUND CREDIT DECISIONS. RESTRICTION OF THIS INFORMATION WOULD ULTIMATELY CAUSE CREDITORS TO MAKE INCORRECT CREDIT DECISIONS BASED ON LITTLE OR NO INFORMATION. SUCH DECISIONS COULD RESULT IN THE REFUSAL OF CREDIT TO OTHERWISE CREDIT WORTHY ACCOUNTS.

THE EXISTING LAW ASSISTS THE BUSINESS COMMUNITY IN MAKING PRUDENT CREDIT AND FINANCIAL DECISIONS WHICH IN TURN PROTECT THE INVESTMENTS OF ALL KANSANS. THIS NEED IS FURTHER EMPHASIZED DUE TO THE DYNAMIC ECONOMIC CONDITIONS WE NOW OPERATE IN.

WE OPPOSE ANY EFFORT WHICH WOULD RESTRICT FINANCIAL PUBLIC DISCLOSURE NECESSARY FOR THE SUCCESSFUL OPERATION OF FARMLAND, FAR-MAR-CO, AND OUR MEMBER COOPERATIVES.

THANK YOU VERY MUCH.

TESTIMONY OF JACK HULL  
OPERATIONS MANAGER  
DUN & BRADSTREET OPERATIONS  
BEFORE  
JUDICIARY COMMITTEE  
OF THE HOUSE OF REPRESENTATIVES  
OF THE STATE OF KANSAS  
REGARDING  
HOUSE BILL 2261

Thank you for the opportunity to state my views on why House Bill 2261 should not be enacted. My name is Jack Hull and I am Operations Manager of the Dun & Bradstreet office in Wichita, and am a life-time resident of Kansas.

I am here because of my belief that it is in the best interests of the State of Kansas that the entire annual report of corporations remain in the public domain. In recent years, Kansas has taken an enlightened position in regard to open records. House Bill 2261 would be a step backward. The whole direction of federal and state government and particularly Kansas is in the opposite direction.

In selecting the corporate form of business ownership, the selector receives certain benefits including most importantly limited liability. Those who have business dealings with corporations have a special need for information regarding that corporation, including financial information.

Why, after many years of this open record, is there a need for closing it? We have heard three reasons. One, businesses may be reluctant to move into Kansas, two, privacy, and three, competition.

The information available to us does not support the notion that corporations are reluctant to enter into business in Kansas because of financial disclosure requirements. We are told the number of new domestic corporations filing each year has increased from 5,030 in 1982 to 5,647 in 1984. The number of new foreign corporations has also increased from 1,446 in 1982 to 1,723 in 1984. In addition, the total number of corporations operating in Kansas has increased from 54,639 in 1982 to 60,375 in 1984.

Privacy means different things to different people. However, few privacy advocates would suggest that corporations should be given the



same privacy protections afforded individuals. The benefits from this form of open records seem to outweigh any need for corporate privacy. The experience in Arizona illustrates this point. That state hastily closed its records in 1976. After one year, they reversed this position and reopened the records. There had been some loss of revenue to the state, but just as important, there was a sharp increase in the incidence of fraud. Of course, fraud is the extreme situation. On a day-to-day basis, the availability of this information is important to credit decisions, purchasing decisions, marketing decisions and can have a beneficial economic effect through the encouragement of business within the State. Concerns can deal with businesses in Kansas with a decreased element of risk. The benefit is not limited to those businesses located outside of Kansas. Our businesses can receive better service on their purchases because the suppliers can enter into agreements with their eyes wide open. Employment statistics for December, 1984 bear out this point. Our open record position is actually one of the positive factors in the overall favorable business climate in Kansas. Kansas unemployment during 1984 was 5.2% versus the national figure of 7.5%.

It is particularly inappropriate to consider closing records useful in business to business decision making at a time when failures are rising dramatically. Nationally, business failures for 1983 rose from 24,908 to 31,334. This represents a 20.5% increase. Preliminary figures for 1984 are not complete, but do reflect a similar upward trend. Unfortunately, Kansas businesses had their problems too with similar increases in the number of failures. Credit decision makers need all the information they can get under these economic conditions.

Proponents of House Bill 2261 may well say "my competitors will have access to my balance sheet?" That is true, but when is competition a bad thing? Competition is the backbone of the free enterprise system.

Incidentally, in my 13 years dealing with business people, no one has ever been able to explain to me exactly what advantage one business person may gain by seeing the balance sheet of another.

A look at the statistics on new incorporations reflects the favorable climate for business in Kansas and at the same time, discounts the theory that open records of corporation financial information discourages business growth in Kansas. In 1984, new incorporations in Kansas were 7,370 or 891 more than the same period in 1982. This represents a 12.1% increase compared to 1982. By comparison, the state of Missouri only increased by 8.3% over the same period of time. Another look at Arizona is revealing. Bear in mind, Arizona closed its records in 1976. In 1977 there was no requirement for filing corporate financial statement information. New incorporations in Arizona in 1977 were 6,636. In 1978 and 1979 when the filing was again required, new incorporations jumped sharply to 8,056 and 8,356 respectively. While there were many factors in these increases, it seems clear that there could have been no significant adverse impact from re-opening the records.

Why tinker with success. We can be justly proud of our position to open records and the climate for business that exists in our state. To make the change suggested by House Bill 2261 would be counterproductive to our progress in these areas.

# Kansas Press association / service, inc.

p.o. box 1773 • 701 jackson street • topeka, kansas 66601 • 913/233-7421

Testimony before the House Judiciary Committee  
HB 2261  
Kansas Press Association  
February 19, 1985

Mr. Chairman, members of the committee, my name is David Furnas and I am the executive director of the Kansas Press Association, representing the daily and weekly newspaper industry of the state.

On behalf of the association, I am appearing in opposition to House Bill 2261.

Several editors and publishers have notified our office of their feelings that this bill would close an important source of information not only to the media but to the general public.

Whether it be an individual, a firm representing that individual or the media, the ability to examine the financial condition of a corporation is critical in assessing the financial health of that corporation when considering financial investments, business dealings or personal transactions.

A company which seeks the privileges of incorporation within our state should also face the responsibilities of that privilege which should include openness about its financial stability. Without such a requirement, companies can hide behind the mask of corporate security as a disguise to an uninformed public.

Our association asks the committee to recommend the bill unfavorably.

Thank you.

Attachment No. 3  
House Judiciary  
February 19, 1985

HOUSE JUDICIARY COMMITTEE - HB 2262 - FEBRUARY 19, 1985  
Testimony of Suzanne Hardin, Prairie Village

- \*HB 2262 is in best interest of child by placing child with relatives when removed from parents. Judicial criteria is needed.
- \*Notification by restricted mail is needed. Cost = \$1.55.  
"interested party" provision isn't used because no one knows about it. Grandparents will receive the notice:  
1) most logical 2) often closest emotional ties with child  
3) convenience of notification for system.
- \*Who will locate names/addresses? police/SRS routinely obtain this info for their intake report that is sent to D.A.'s office. The Clerk of Juvenile Court gets these reports and sends the notices.
- \*Cost effective data from Area Offices of SRS/Foster Parents for Johnson and Leavenworth Counties:  
Foster Care for 12 year old for a 30 day month = \$270.00  
Relative Care for 12 yr. old for 30 day month = \$ 000.00  
Relative Care for same child for same period if relatives apply for limited ADC "shared living" = \$167.00  
  
Johnson County monthly target for Foster Care = \$116,000.  
Leavenworth County monthly target for " = \$ 39,000.  
Both counties total for the year = \$1,800,000.
- \*Savings of Time and Work for the systems: There's an unbelievable amount of paper work required when child is placed in Foster Care. SRS must monitor child through entire stay. Less paper work and monitoring of 3-6 mo., when court ordered, when child placed with relatives.
- \*Any disruptions for the system? 2262 does not create any disruptions or delays for the system. Other sections of Code require notification of court proceedings. There's ample time to notify between adjudication and disposition
- \*Any disadvantages to HB 2262? If someone feels it's a nuisance sending out notification, we look at 2262 as important to child for the rest of child's life. And it is important to generations of that extended family. Any inconvenience is not a reason to oppose 2262.
- \*HB 2262 is compatible with HB 2055—the new permanency planning options given the Court and Dept. of SRS.
- \*Kansas Grandparents, Inc over 400 members now. Weekly calls and letters of distress over grandchildren in divorce and custody situations. Children need the least disruptive and least restrictive placement and they need the continuum of care and love with family. The extended family and the child should be given every consideration.

ARTHUR C. CHERRY, M.D.  
3118 WESTOVER ROAD  
TOPEKA, KANSAS 66604

Honorable Bob Vancrum  
State of Kansas House of Representatives  
State Capitol Room 115-S  
Topeka, Kansas 66612

February 16, 1985

Dear Representative Vancrum:

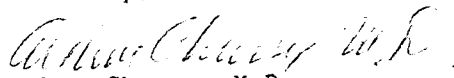
I am writing in support of the House bill concerning custody of children in need of care. My background and reason for concern is over twenty-five years as a practicing pediatrician in Kansas. I also have a special interest in children and their potential abuse. I have served on the Board of Directors of the Kansas Committee For Prevention of Child Abuse having just finished a two year term as president of that organization. In my experience and in reviewing data from SRS it is apparent that children in foster care are particularly vulnerable to abuse. Particularly tragic is the propensity of those children to move from one foster home to another depriving them of the nurturing experience of a family. It is also apparent that these children grow up lacking experiences which help them to form strong ties as they themselves become parents. The result is a life of violence and more abuse.

This bill appropriately directs the court to place the child with a relative or person with close emotional ties. It appropriately directs notification of the child's grandparents before placement.

It is apparent that the provisions of this bill will result in an additional effort to search out such family members. In my opinion this extra effort will reap great rewards. The placement of the child with caring family members will result in a much greater chance of that child growing up to be a useful and productive citizen who will not repeat the cycle requiring a greater investment of effort and money in the future.

I hope that your committee will give favorable consideration to this bill.

Sincerely,

  
Arthur Cherry, M.D.

Attachment No. 4  
House Judiciary  
February 19, 1985

February 12, 1985

Mrs. Suzanne H. Hardin  
8229 Nall  
Prairie Village, Kansas 66208

TO WHOM IT MAY CONCERN:

I am writing to give my total support to the House bill currently being considered concerning custody of children in need of care. I have worked with children troubled by many things for well over 20 years and I have seen a great many battles regarding custody. In my experience working with thousands of children during this time, I can say that children do the best possible when they are in reasonably good homes of blood relatives. There are few exceptions to this rule. There is a strange magnetism that seems to draw children to their own relatives.

It is my strong belief, therefore, that first consideration should be given to the placement of children in need of care, outside of that of their immediate families, with grandparents or other relatives, if they are found to be suitable parental substitutes.

Very commonly, the placement of children with relatives is less costly to the taxpayer and more effective in providing the emotional and social environment in which the child can perform most effectively and develop most fully.

Sincerely yours,

*Grace H. Ketterman, M.D.*

Grace H. Ketterman, M.D.  
Medical Director  
Crittenton Center  
10918 Elm  
Kansas City, Missouri



The  
Menninger  
Foundation

February 19, 1985

TO WHOM IT MAY CONCERN:

My name is Herbert C. Modlin, M.D. I am a physician licensed to practice in the State of Kansas. I am a psychiatrist on the staff of the Menninger Foundation. I have a special interest in forensic psychiatry which is concerned with the overlapping areas of psychiatry and law. Consequently, I have been involved in many divorce actions, child custody disputes, and visitation rights. From these experiences, from consultation with colleagues, and from familiarity with the psychiatric and sociological literature, I have a few observations and conclusions I hope will be helpful to you.

From the child's perspective, divorce, separation or absence of one parent does not dissolve a family, merely a marriage. In the child's view, he or she is not being "divorced" from the important family members. He still has parents, grandparents, aunts, uncles, cousins, etc. The major change may be just in living arrangements. He knows he still has a family--or does he?

Too often parents, in their retaliatory zeal, do try to destroy the family structure, always to the child's detriment. One common move is to exclude the spouse's entire family, sometimes one's own family. Unfortunately, the litigation process, adversarial in nature, often abets the parental hostilities. The common experience from our no-fault divorce laws is that the battle now centers on child custody, including in-laws and even one's own parents.

The battle can be waged between parents and grandparents as in separated or divorced or one-parent families, or even in intact marriages, or in too many cases, intact non-marriage relationships. The controversy can result in denial of any grandparental visitations, strictly as a hostile gesture with no thought to the child's welfare.

In the psychiatric and sociological literature of the past 25 years, a useful phrase, "social support system," has evolved. We who have it rarely think about it. Its loss through some dramatic environmental change demonstrates its value. Truly, no man is an island. Each individual is embedded in a family--extended family--neighborhood--community. This social support system is necessary for our sense of belonging and feeling of security. For the child, the family is his community. We all have a need to belong and to know who we belong with. A sense of family continuity is part of our self-perception and our psychological security. Children are fascinated with the grandparents' tales of when their parents were young.

Alex Haley's search for his roots was a psychologically sound quest, impelled by his need to feel a sense of continuity and belonging.

Box 829  
Topeka, KS 66601  
913 273 7500

Attachment No. 5  
House Judiciary  
February 19, 1985

TO WHOM IT MAY CONCERN

February 19, 1985

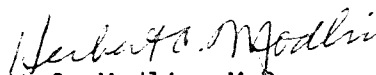
Page 2

We see this need most strikingly in young adults, deprived of family in their young years, who have an obsession about finding their roots. They feel somehow incomplete without this experience. A sense of extended family in time and space is a psychological need of some significance.

It has been documented in our psychological studies of families that adults have a similar need to belong which is satisfied by projections into the future. This need is met through effective contact with children and grandchildren, and even nieces and nephews. This sense of continuity and continuation of family is of psychological value. As one ages the realization that part of oneself will continue indefinitely in the younger family members makes aging less onerous. If the need arises for grandparents, or aunts and uncles, to take over parental functions, some advantages accrue. The oldsters, once again in a parental role, are repositories of family lore and values. They have kinds of wisdom achieved through time and experience and can serve as role models within the family structure which has become familiar to the child. Placing the child with even the best intentioned strangers, cannot provide these advantages.

In summary, child-grandparent relationships have important psychological and social contributions to make toward the healthy development of children. Unfortunately, parents sometimes do not recognize this truth, and in pursuit of their private wars, sacrifice the children's best interest for their own goals. One of the newly emerging situations in our current social complexity is the gulf between grown children or semi-grown children (teenagers) and their parents precipitated by their participation in the drug scene. This clash of values and life styles frequently includes depriving grandparents of contacts with the grandchildren.

Of course, not all grandparents are paragons of virtue and may occasionally engage their children in conflict, using the grandchildren as the battleground. The Bill being considered by you seems to recognize this possibility, by leaving the decision in each case to the discretion of the court. This safeguard is a wise one.

  
Herbert C. Modlin, M.D.  
Noble Professor of Forensic Psychiatry

HCM:rb



TESTIMONY OF JON S. WILLARD  
TO HOUSE JUDICIARY COMMITTEE  
February 19, 1985  
213B E. Santa Fe, Box 575  
Olathe, Kansas 66061

1. Basic intent of act is to encourage placement of children with extended family whenever that is feasible rather than to have them in foster care with strangers.
2. Placement with extended family when available is psychologically beneficial as it lessens the trauma of removing the child from the immediate family.
3. Such placement will generally be easier to monitor by the State and will be less expensive in terms of the support paid to the foster parent.
4. In order to be reasonably considered as resources, the extended family (usually grandparents) must be informed of the dispositional hearing so that they can participate; the interested party statute is a seldom used vehicle and it presupposes the family member knows the existence of the proceedings which is often not the case.
5. The advantages of such placements will benefit the child as well as the State who is interested in the child's welfare; any minor inconvenience in additional notification provisions are far outweighed by these substantial benefits.

Attachment No. 6  
House Judiciary  
February 19, 1985