

Approved: 3-31-95
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 11:05 a.m. on March 14, 1995 in Room 254-E of the Capitol.

All members were present except: Sen. Hensley

Committee staff present: Mary Galligan, Legislative Research Department
Kim Perkins, Committee Secretary

Conferees appearing before the committee:
Art Neuhedel, Executive Director, Kansas Racing Commission Confirnee

Others attending: See attached list

Sen. Oleen called for committee approval of the minutes dated February 17, February 21, and February 22, 1995. Sen. Jones made a motion to approve the minutes and the motion was seconded by Sen. Papay. The motion passed.

Sen. Oleen explained a bill for introduction concerning the distribution of the Kansas Statutes Annotated. Sen. Tillotson made a motion to introduce the bill and the motion was seconded by Sen. Praeger. The motion passed.

Sen. Oleen opened the confirmation hearing for Art Neuhedel as the Executive Director of the Kansas Racing Commission and introduced Art Neuhedel who gave brief opening remarks and stood for response to questions.

Sen. Oleen announced that Art Neuhedel as an appointee of the Racing Commission, did not have a questionnaire similar to those of other confirnees who are appointed by the Governor, so she would ask some of the questions which are generally on the Gubernatorial questionnaire. Sen. Oleen asked Neuhedel where he lived and Neuhedel answered that he lived in Kansas City and commuted to work in Topeka every day. Sen. Oleen asked if Neuhedel had completed a KBI check and he answered affirmatively. Sen. Oleen asked Neuhedel his party affiliation and he answered that he is a Republican. Sen. Oleen asked Neuhedel to explain the dates of his term and Neuhedel responded that he had served as acting executive director from August 1994 to January 1995 and that his permanent appointment began on January 3, 1995.

Sen. Vidricksen referenced the current financial status of the Woodlands and asked Neuhedel how many greyhound kennels and how many horses still remained at the Woodlands. Neuhedel answered that business had decreased by 40 percent and that there were only 15 remaining kennels and 350 remaining horses. Sen. Vidricksen asked whether Neuhedel had a contingency plan to counteract the possible closure of the Woodlands. Neuhedel answered that the commission was trying to be positive at this time and had made no closure plans.

Sen. Vidricksen commented that he is disappointed that the industry is facing closure and he is disappointed with the decision makers of the state of Kansas who continually allow Missouri to earn money which could be used by Kansans.

Sen. Oleen asked Art Neuhedel the salary of the executive director and Neuhedel answered that he earned \$58,000. Sen. Jones asked Neuhedel if he were aware of proposed legislation which would return the appointing authority of the executive director of the racing commission to the Governor. Neuhedel answered that he was familiar with the legislation. Sen. Jones followed by asking if Neuhedel were comfortable with the change, and Neuhedel answered that he was comfortable with the legislation.

Sen. Gooch asked if Neuhedel had any indication whether the Governor would or would not appoint him to the position of executive director if the legislation passed and Neuhedel answered that he had no indication at

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this time, but he assumed that his job performance would be evaluated before such a decision would be made.

Sen. Oleen stated that the position of executive director had several qualification requirements and specifically referenced the requirement that the executive director must hire an Inspector of Parimutuel and a Director of Security and asked Neuhedel if he had completed that requirement. Neuhedel answered that they were currently interviewing a candidate for the position of Inspector of Parimutuel and they had already filled the position on Director of Security.

Sen. Oleen asked Neuhedel who was responsible for the hiring of other staff and Neuhedel answered that candidates are hired following approval of the racing commission. Sen. Oleen referenced the hiring of Jim Parsley to the position of chief racing judge and asked Neuhedel if Parsley had been formally hired without the approval of the commission. Neuhedel stated that in his conversations with Mr. Parsley he had made it clear that his hiring was subject to approval of the commission. Sen. Oleen followed by asking if the February 2, 1995 letter of congratulations sent to Mr. Parsley (Attachment 1) did or did not come before the February 10 commission meeting when the Commission took action on the hiring of Mr. Parsley. Neuhedel answered that there had been a mistake and the letter should have had a contingency statement to Mr. Parsley which stated that his hiring required commission approval.

Sen. Oleen asked Art Neuhedel to explain his role in the formulation of legislation concerning the placement of slot machines at racing tracks. Neuhedel answered that he had made a phone call to the Woodlands on February 17, 1995 asking for the logic behind the possible legislation. Neuhedel; continued to say that he contacted Dr. Denice Kobuszewski, Chair of the Racing Commission, on February 23, 1995 to inform her of an effort to amend the lottery bill to include slots. On February 28, 1995 Neuhedel stated he became aware of the bill for introduction. Sen. Oleen asked Neuhedel if he or any of his staff had been involved in any meetings or discussions regarding the slots legislation and Neuhedel answered that no one had been involved. Sen. Oleen asked if there had been any written or verbal communication from him or his staff endorsing the bill prior to its introduction and Neuhedel answered that there had been none. Sen. Oleen asked if any race track owners had asked Neuhedel to place the slots issue on the agenda and Neuhedel answered that they had not. The commission chair had asked that the issue be placed on the agenda based upon the introduction of legislation by the tracks. Sen. Oleen asked if the racing industry had asked the commission to endorse the slots legislation and Neuhedel answered that they had asked but that the commission decided to remain neutral on the issue.

Sen. Tillotson asked Neuhedel if he had a background or working knowledge in racing and Neuhedel answered that he had been a long-time fan of racing. Sen. Tillotson asked Neuhedel to describe his administrative and supervisory experience and he answered that he had not had upper level administrative positions in his former jobs, but had performed administrative duties.

Sen. Tillotson asked if Neuhedel had a personal friendship with members of the racing industry and Neuhedel answered that they are friendly but that he considers the relationship to be of a business nature. Sen. Tillotson asked if Neuhedel had a good working relationship with the commission and he answered that some of his relationships are better than others. Sen. Tillotson asked if Neuhedel had any opinions to offer on the high turn-over rate of the position of the executive director and on the recent firing of the commission's attorney by former Attorney General Robert Stephan. Neuhedel answered that these were issues which transpired before his hiring as executive director and he did not have adequate information in order to form an opinion. Neuhedel followed by saying that those were tough times on the commission and he is glad to have them behind him.

Sen. Praeger stated that it must be difficult for the executive director to balance giving recommendations to the commission and working for them. Sen. Praeger asked Neuhedel if he challenged the board to observe other perspectives. Neuhedel answered that he does offer recommendations and that he does express his opinion, but that his not a policy maker and his job is primarily to follow the recommendations by the commission.

Sen. Oleen asked Neuhedel who was in charge of setting the agenda for each commission meeting and Neuhedel answered that he worked with the chair of the commission in order to set the agenda. Sen. Oleen referenced a request by Richard Teichgraeber to discuss a possible amendment to **SB 124** in a commission meeting. Neuhedel answered that Teichgraeber had attended one of the commission meetings but had made a request to place his question on the agenda. During the meeting Teichgraeber attended, Neuhedel continued, the commission asked for any comments from the audience and Teichgraeber did not choose to comment but did speak to Neuhedel after the meeting was over. Neuhedel stated that in an attempt to accommodate Teichgraeber, he did contact by phone all of the commission member to express Teichgraeber's concerns.

Sen. Jones asked Neuhedel to evaluate the current status of the Woodlands and Neuhedel answered that the Woodlands is currently on life support. Sen. Ramirez asked Neuhedel why the commission, facing

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extinction of the Woodlands, does not support the slots legislation proposed in the 1995 session and Neuhedel said that he would pose the question to the commission.

Sen. Oleen asked Neuhedel to address the rumor that the original owners of the racing tracks will receive money as a type of royalty if the slots legislation passes. Neuhedel answered that he would have legal council contact the committee with an answer to the rumor.

Sen. Oleen called for further discussion, and seeing none, the meeting was adjourned at 12:00 p.m.

The next meeting is scheduled for March 15, 1995.

STATE OF KANSAS



KANSAS RACING COMMISSION

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Topeka, Kansas 66611-2228
(913) 296-5800
FAX (913) 296-0900

COPY

February 2, 1995

Mr. Jim Parsley
63880 E. 252 Road
Grove, OK 64344

Dear Mr. Parsley:

Congratulations, you have been selected to fill the vacant chief racing judge position at the Frontenac race facility, contingent upon successful completion of a KBI background investigation and the Governor's salary approval. The starting annual salary requested is \$40,560. This position is in the unclassified service, full-time and benefit eligible. The effective date will be February 18, 1995.

K.S.A. 74-8818(d)(3) states that the commission may examine any person who has been given a physical examination by a licensed physician within sixty (60) days prior to the date of application, indicating at least 20/20 vision or vision corrected to at least 20/20, and normal hearing ability.

Please submit a physician statement or documents regarding your vision and hearing ability to this office by February 10, 1995.

Ms. Smith, our personnel manager, will contact you for a benefit orientation meeting.

Should this be an acceptable job offer, please sign the bottom of this letter and return to this office no later than February 10, 1995.

Respectfully,

A handwritten signature in cursive script that reads "Art J. Neuhedel".

Art J. Neuhedel
Executive Director

95GS18-nsw

cc: Frances Snell
Personnel ✓

Enclosure

I accept this job offer.

Sen Fed & State
3-14-95
Attachment 1

Employee signature