

Approved: 3/15/96 hca  
Date

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR.

The meeting was called to order by Chairman Al Lane at 9:11 a.m. on March 7, 1996 in Room 526-S of the Capitol.

All members were present except: Rep. Vaughn Flora - excused  
Rep. Gary Merritt - excused  
Rep. Terry Presta - excused

Committee staff present: Jerry Donaldson, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Bev Adams, Committee Secretary

Conferees appearing before the committee: Rep. Jill Grant  
Bob Nugent, Revisor  
Ron Smith, Kansas Bar Association  
Norman Wilks, Kansas Association of School Boards  
Terry Leatherman, KCCI  
Jean Taylor  
Michael Haynes, Real Estate Appraisal Board

Others attending: See attached list

Sub-Committee report on: **SB 102 - Establish Kansas Performance Review Board**

Rep. Jill Grant, sub-committee chairperson, gave a short report on the sub-committee's work. She asked Bob Nugent, Revisor, to brief the committee on the changes that were made to the bill (version as amended by the Senate).

The sub-committee recommends the following amendments: 1) On page 2, line 14, strike "written guidelines" and add "*rules and regulation in accordance with K.S.A. 77-415 et. Seq., aat*"; 2) On page 3, line 6, add after "accuracy.", "*pursuant to this subsection, the secretary shall obtain from any bidder to perform the governmental function in question, a statement of all substantial interests held by the bidder in Kansas.*"; 3) On page 3, line 20, after "senate.", "*Any such recommendation must consider the economic impact on local communities affected by a decision to delegate a government function to the private sector and include a plan for displaced state workers. Bidding procedures which are open and competitive must be utilized before awarding any state contract to private business.*"; 4) On page 3, line 38, after the word "goods", add "*required by state law to be.*"; 5) On page 3, line 39, after "state government", add "*, a unit of local government, or*"; 6) On page 3, line 41, add after "July 1, 2000," "*and every three years thereafter.*"; 7) On page 3, line 43, delete 2001, and add "*next successive*"; 8) On page 4, line 5, after "board", add "*, however, the report shall not recommend continuation of the board unless the cost benefit analysis conducted pursuant to this subsection establishes that implemented recommendations of the board resulted in cost savings to the state in excess of ten times the amount of funds appropriated to the board over the lifetime of the board*".

Rep. Grant made a motion to recommend the adoption of the sub-committee report on SB 102. It was seconded by Rep. Becker. A substitute motion was made by Rep. Pauls not to recommend the adoption of the report. It was seconded by Rep. Standifer. The substitute motion not to adopt the sub-committee report failed on a vote of 6 yeas - 8 nays. The committee returned to the first motion to adopt the sub-committee report, the motion carried on a vote of 8-6.

Continued hearing on:

**Sub SB 474 by Legislative Post Audit Committee---Kansas whistleblower act; employees of state and local governments and certain public contractors; communications with auditors.**

Ron Smith, Kansas Bar Association, returned to answer questions from the committee.

Norman Wilks, Kansas Association of School Boards (KASB), appeared as an opponent of the bill. The KASB has concerns about the bill and its practical application. They offer amendments to the bill. (See Attachment 1) He concluded his testimony by answering questions from the committee.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR, Room 526-S  
Statehouse, at 9:11 a.m. on March 7, 1996.

Terry Leatherman, Kansas Chamber of Commerce and Industry (KCCI), appeared as an opponent of the bill. They question the legislative intent to include "public contractors" (private businesses with a state contract), as a satellite of state government, and feel that the act should limit the protections of this bill to the portion of the public contractor's business involving state contracts. (See Attachment 2) He concluded by responding to questions from the committee.

Jean Taylor, appeared as a proponent and concerned citizen interested in the bill. She had to leave her job at the Topeka State Hospital, after she had blown the whistle on mismanagement there. She felt she was forced out of her job and didn't know all of the options to go about keeping it until it was too late. (See Attachment 3)

Chairman Lane asked if there were others who wanted to testify for or against the bill. None were present and he closed the hearing on Sub SB 474.

Hearing on: SB 562 - Renewal of real estate appraiser's license or certification.

Bob Nugent, Revisor of Statutes gave a short briefing on the bill. The main purpose of the bill is to exempt the continuing education requirement for the first renewal of a real estate appraisal certificate or license.

Michael Haynes, Director, Real Estate Appraisal Board, appeared before the committee as a proponent of the bill and to answer any questions that the committee might have.

No others were present to testify on the bill and Chairman Lane closed the hearing on SB 562.

The meeting was adjourned by Chairman Lane at 9:53 a.m.

The next meeting is scheduled for March 8, 1996.

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE  
GUEST LIST

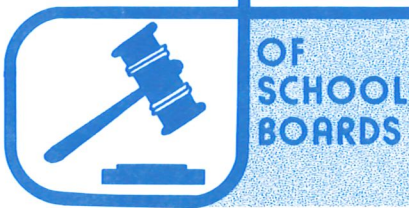
DATE March 7, 1996

NAME	REPRESENTING
Ron Smith	Ks Ba Assoc
TERRY LEATHERMAN	KCCI
NORM WILKS	KASB
Bob North	DoA
Jean Taylor	Citizen
THINK THINGS	KRFAIS
Jeanne Sudalay	Sen. Pat Ranson
John Collins	DoA
Amy Hudechickson	DoA
Peggy Lane	VISITOR
Linda Powell	ARA
DAN LEWIEN	SRS Audit Services
Katherine Schmidt	SRS Audit Services
Jenny Linnick	Quaker Park C of C
Bernie Koch	Wichita Area Chamber of Commerce
Jamie Clover Adams	KS Fertilizer & Chemical Assn
ART BROWN	mid - am lumbermen -
Jean Barber	Food Ind. Assn. of KS
Kelly Jennings	KAPE

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE  
GUEST LIST

DATE March 7, 1996 (cont.)

NAME	REPRESENTING
Barb Hinton	Post Audit
Rick Riggs	Post Audit
Linda Hubbard	KDHR
Bill Henry	KS Assn of Defense Counsel



Testimony on Substitute for S.B. 474  
before the  
House Committee on Business, Commerce and Labor

by

Norm Wilks, Director of Labor Relations  
Kansas Association of School Boards

March 6, 1996

Mr. Chairman and members of the Committee. On behalf of the member districts of the Kansas Association of School Boards, I wish to thank you for this opportunity to discuss Substitute for S.B. 474.

While we think employees of school districts should be allowed to inform auditing agencies of district operations, there are some practical concerns we have with the legislation in its present form.

School districts are required to notify certified employees of the board of education's intent to nonrenew a contract by May 1. Kansas law also prohibits payment of wages to a certified employee that does not hold a valid certificate. An employee could notify the auditor of district operations and seek an injunction to prevent the disciplinary action.

A change needs to be made to allow the employer to proceed with any disciplinary action as defined in (b)(2) when such action is not related to discussing the operation or other matter of public concern. An employee should not be allowed to block proper employer action that is not related to the actions protected by this bill.

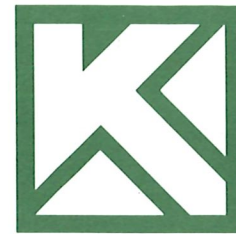
Thank you for consideration of our concerns.

*House Business, Commerce,  
& Labor Committee  
3/7/96  
Attachment 1*



# LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry



835 SW Topeka Blvd. Topeka, Kansas 66612-1671 (913) 357-6321 FAX (913) 357-4732  
Sub. for SB 474

March 7, 1996

## KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

House Committee on Business, Commerce and Labor

by

Terry Leatherman  
Executive Director  
Kansas Industrial Council

Mr. Chairman and members of the Committee:

I am Terry Leatherman, with the Kansas Chamber of Commerce and Industry. Thank you for this opportunity to explain a concern the Kansas Chamber has with the expansion of the Kansas Whistleblowers Act contained in Sub. for SB 474.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 46% of KCCI's members having less than 25 employees, and 77% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

The Substitute bill includes "public contractors" (private businesses with a state contract) in the Kansas Whistleblowers Act. However, when incorporating public contractors, Sub. for SB 474 appears to move beyond linking just the state service of public contractors to the Act. On page 1 & 2 of the bill, an employee is protected for "discussing the operations of the contractor." If legislative

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ii) is to include private business, as a satellite of state government, the scope of the act should limit the protections of this bill to the portion of the public contractor's business involving state contracts.

In general terms, KCCI would question the overall necessity of including "public contractors" in this Act, since those employees would currently have legal recourse if they were dismissed after reporting criminal violations by their employers. From the employer's perspective, you are saddling them with a new avenue of potential litigation if the business wishes to provide goods or services to the state.

Thank you for the chance to comment on Sub. for SB 474. I would be happy to respond to any questions.

## State unresponsive

**C**itizens of Kansas do not have the legal assistance that state bureaucrats and criminals are entitled to when going to court. Yet we as taxpayers have to pay their legal fees as well as our own.

In the recent article about the Greg Uhrig family, and the needless death of his wife Stephanie at the Topeka State Hospital in February of 1991, the judge denied his lawsuit. The court stated that workers sign away their rights to protection of life when they are employed by Topeka State Hospital.

I was a co-worker with Stephanie and experienced mismanagement in our department. For the past three years, I have tried to let others know the truth about management indifference through fruitless appeals to all agencies directly or indirectly involved. During this period, my friend Stephanie was brutally murdered. I finally had to file my case in federal court hoping to get a fair hearing.

The state failed to answer for five months. Their argument was that I had not "exhausted all my administrative remedies." Even if I won the case, the bureaucrats can claim administrative immunity. My attorney notified me she would no longer continue my case. Needless to say, I do not have funds to match the state's unlimited resources. Therefore, the state can effectively block all complaints.

During the 1994 legislative session, I helped to advocate Senate Bill 758. This bill would help citizens to have legal assistance and keep the state from "engaging in conduct that unduly and unreasonably protracts the final resolution of matters in controversy." The bill did not pass during the 1994 session.

Now is the time to contact candidates for the 1995 Legislature to solicit their support for this bill during the next session. If you ever have a dispute with a state agency, it will make a difference to have this assistance!

— B. JEAN TAYLOR, Topeka.

*House Business, Commerce &  
Labor Committee*

*3/7/96*

*Attachment 3*