

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on February 11, 2003 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research  
Mitch Rice, Revisor of Statutes  
Norman Furse, Revisor of Statutes  
Jodie Anspaugh, Secretary

Conferees appearing before the committee: Lt. Gov. John Moore  
Phil Harness, Director of Workers Compensation  
Terry Leatherman, KCCI  
Brad Smoot, American Insurance Association  
Janet Stubbs, Kansas Building Industry Association, Workers  
Comp Fund

Others attending: See attached list

Chairperson Brownlee welcomed Lieutenant Governor John Moore to the committee for his confirmation hearing for the position of Secretary of Commerce and Housing. Lt. Gov. Moore gave his background information to the committee. (Attachment 1) He worked for Cessna for almost 20 years, and is now retired. He has had much experience with Kansas as the chairman for both KTEC and Kansas, Inc. Senator Steineger moved to recommend Lt. Gov. Moore as favorable to the full Senate. Senator Jordan seconded. The motion carried.

Senator Steineger moved to approve the minutes from January 28, 29, 30, and 31. Senator Buntun seconded. The motion carried.

Chairperson Brownlee had April Holman from legislative research brief the committee on **SB 133**, regarding workers compensation. Ms. Holman said that the bill would remove the requirement for open claims reporting. She referenced the fiscal note. (Attachment 2)

Phil Harness, Director of Workers Compensation, testified to the committee in favor of **SB 133**. (Attachment 3) He also has other ideas for changes in the bill that he included in his testimony. Mr. Harness said that because vocational rehabilitation providers are not payers under the system, but rather are payees, and do not have "closed claims" to report, vocational rehabilitation providers should be removed from the reporting requirement, both for claims reporting and medical fee reporting, as well as from the penalty provisions. Also, subsection (b) dealing with medical information should be placed in a separate subsection as that requirement is for all medical information, not just a statistically significant sample.

Terry Leatherman, Vice President of Legislative Affairs of the Kansas Chamber of Commerce and Industry testified in support of **SB 133**. (Attachment 4) Mr. Leatherman believes that this bill would simplify the information gathering process by eliminating the reporting of open claim information.

Brad Smoot testified on behalf of the American Insurance Association as a proponent of SB 133. (Attachment 5) He believes that **SB 133** reduces the burdens of insurers, self-insureds and group funded pools to report claims data. Previous law required such payers to collect and submit open as well as closed claims, even though open files are of little value to the state in analyzing claim trends.

Janet Stubbs, Administrator of the Kansas Building Industry Workers Compensation Fund, testified in

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on February 11, 2003 in Room 123-S of the Capitol.

opposition to **SB 133**. (Attachment 6) She is concerned about the method of reporting, not about collecting the data altogether. Requiring the use of a value added network (VAN), which is a facility used to exchange electronic files between organizations, would be too expensive. As medical costs rise, we need to keep costs as low as possible. Ms. Stubbs answered questions and clarified that she is not opposed to eliminating open claims, but would like to be able to report electronically instead of using paper forms.

Chairperson Brownlee closed the hearing on SB 133.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for February 12, 2003 at 8:30 a.m. in room 123-S.

SENATE COMMERCE COMMITTEE

GUEST LIST

DATE: Tuesday, Feb. 11, 2003

NAME	REPRESENTING
Stephanie Buchanan	DOB
Megan Chalfont	Burgess and Associates
Chris Wilson	KBIA
James Stubbs	KBIA/C.F.
Kevin Brane	Hen law firm
Sarah Esen	Kearney & Assoc
Bob Kirchbiel	KIOSA
Jeff Bottenberg	State Farm
Amber Kjelskus	Sen. Brungardt
JPSmall	BOMBARDIER LEARJET
LARRY MAGILL	KAIA
Jerry Leatherman	KCCI
Jackie Glank	Hallmark Cards Inc
Tom Cahy	STEWART-VAIL
Scott Heider	KS Self Insurers Association
RaeAnne Davis	KDOCTH
Mary Rivenport	KMCA
John Peterzon	Id's Governmental Consulting
Dandy Williams	KDHR - Workers Comp.
Phil Harrison	KDHR - Workers Comp.
Ken Hersh	KDHR - work comp.
Loon Soadi	KDHE
Dustin Buell	Bottenberg & Assoc.

**Senate Confirmation Information Summary**  
*Prepared and Submitted by the Office of Governor Kathleen Sebelius*

**Appointee:** John Moore

**Position:** Secretary of Commerce and Housing

**Appointment Date:** January 13, 2003

**Expiration Date:** N/A

**Term Length:** Pleasure of the Governor

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**Statutory Authority:** K.S.A. 74-5002a

**Party Affiliation:** Democrat

⇒ Statutory geographic representation  
Requirements (*insert any that apply*)

Congressional District:

County:

Size requirement (*if any*):

Other, specify:

⇒ Statutory party affiliation requirement: No more than \_\_\_ members from the same political party

⇒ Statutory industry or occupation requirements:

**Salary:** \$109,875

**Predecessor:** Gary Sherrer

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**Board Composition Prior to Confirmation of New Appointee:**

*(SEE ATTACHED LIST)*

N/A

Senate Commerce Committee

2-11-03  
Attachment 1-1

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## 74-5002a

### Chapter 74.--STATE BOARDS, COMMISSIONS AND AUTHORITIES Article 50.--DEPARTMENT OF COMMERCE AND HOUSING

**74-5002a. Department of commerce, creation; secretary of commerce, appointment and compensation; officers and employees; location of offices; application of K-GOAL.** (a) There is hereby created a department of commerce, the head of which shall be the secretary of commerce. The governor shall appoint the secretary of commerce, subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto, and the secretary shall serve at the pleasure of the governor. The department of commerce shall be administered under the direction and supervision of the secretary of commerce. The secretary of commerce shall receive an annual salary fixed by the governor.

(b) The secretary shall employ division directors and such other professional staff and employees as may be deemed necessary to effectively administer this act. The secretary may appoint one public information officer, one chief attorney, one personal secretary and one special assistant who shall be in the unclassified service under the Kansas civil service act and shall receive compensation fixed by the secretary and approved by the governor.

(c) The offices of the department of commerce shall be located in Topeka.

(d) The provisions of the Kansas governmental operations accountability law apply to the department of commerce and the office of secretary of commerce, and the department and office are subject to audit, review and evaluation under such law.

**History:** L. 1975, ch. 388, § 1; L. 1975, ch. 389, § 1; L. 1981, ch. 299, § 30; L. 1982, ch. 347, § 43; L. 1986, ch. 296, § 2; L. 1987, ch. 347, § 2; L. 1992, ch. 116, § 37; July 1.

Kansas State Capitol - 300 SW 10th St. - Topeka, Kansas 66612

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**John E. Moore**  
**Lieutenant Governor**

Moore joined Wichita's Cessna Aircraft Company in 1982, as Senior Vice President, Human Resources. He served as Executive Vice President until July of 2002. Cessna has a workforce of more than 12,000 in Kansas and total revenues in excess of \$3 billion. During Moore's tenure, Cessna Aircraft's annual revenues have grown more than \$2.5 billion and employment has increased by 10,000.

During the majority of Moore's career at Cessna, his responsibilities included designing and administering employee benefits including health care plans, workforce development programs, staffing and work place safety. He was also responsible for forging a constructive and cooperative relationship between organized labor and management.

While at Cessna, Moore was instrumental in a nationally recognized training initiative – the 21<sup>st</sup> Street Training Program which was opened in 1990 and expanded in 1997. Through this program Cessna has trained nearly 300 former welfare recipients, helping them achieve economic independence and self-sufficiency. Participants are taught to build airplane parts, acquire marketable job skills, and are guaranteed full-time employment upon graduation from the program. Of Cessna's dedication to its this program, in 1998 *Workforce Magazine* quoted Moore as saying, "The best investment you could ever make is in the people in your company and in your community."

Moore's commitment to Kansas and her people extends to his leadership in civic and community organizations as well. Moore is past Chairman and continues to serve as a board member of the Kansas Chamber of Commerce and Industry. He is past Chairman of both Kansas Inc. – created in 1986 by the Kansas Legislature as an engine for strategic economic planning – and the Kansas Technology Enterprise Corporation, a state-owned corporation formed to promote advanced technology economic development in the state.

In 1999, Governor Bill Graves tapped Moore to head the Kansas Children's Cabinet, where Moore helped launch the "Kansas Smart Start" program to ensure that Kansas's children enter kindergarten healthy and prepared to learn.

In Wichita, Moore served as 1993 General Campaign Chairman for the United Way of the Plains. He is a founding director, past President, and current board member of the Kansas Foodbank Warehouse that has distributed more than ninety million pounds of food to needy families through churches, food kitchens and children's agencies. Moore is past President of the Wichita Children's Home, and a member of the boards of directors for the Via Christi Regional Medical Center and Goodwill Industries' Easter Seals.

Before joining Cessna, Moore was a Vice President and partner at Korn-Ferry International in Dallas, Texas and had previously served in a number of senior human resources positions with Rockwell International.

KBI Check: NA In Process Complete

### KANSAS GOVERNOR SEBELIUS APPOINTMENT QUESTIONNAIRE

Position for which you are applying: \_\_\_\_\_

Full Name (please include middle name): JOHN EDDY MOORE

Home Address: 14305 SHANNON CIRCLE WICHITA, KS 67230 SEDGWICK  
(City, State, Zip) (County)

Business Address: State Capital Bldg. 222-S 300 SW 10th Ave Topeka SHAWNEE  
(City, State, Zip) 66612-1514 (County)

Business Name: STATE OF KANSAS

Position Title: LIEUTENANT GOVERNOR

Home Phone: (316) 733-4771 Business Phone: (785) 296-2213 Cell Phone: (785) 554-1485

Facsimile No: (785) 296-5669 E-Mail Address: john.moore@gov.state.ks.us

Driver's License No: 234-68-6260 Social Security No: 234-68-6260

Date of Birth: 7/13/43 Place of Birth: CHARLESTON, W. VA. Kansas resident? YES

Registered Voter? YES Party Affiliation: DEMOCRAT

Congressional District: 4 Kansas Senate District: \_\_\_\_\_ Kansas Representative District: \_\_\_\_\_

Do you have the legal right to live and work in the United States? YES

Education: BS COMMERCE - WASHINGTON & LEE UNIV - 1965

JURIS DOCTOR DEGREE - UNIVERSITY OF KENTUCKY LAW SCHOOL

Employment Experience: CESNA AIRCRAFT COMPANY - SENIOR EXECUTIVE - 20 YRS

Do you hold any professional licenses? If so, please provide numbers: \_\_\_\_\_

What special skills could you bring to this position? BUSINESS BACKGROUND

#### AFFILIATIONS

Previous government appointments: KANSAS INC, KTEC, CHILDREN'S CABINET  
(Please provide dates)

Note: All yes answers require a detailed response. Attach a separate sheet if necessary:

1. **Military Service:** List rank, date, and type of discharge from active service: N/A
2. **Government Experience:** List on a separate sheet any experience or association with local, state or federal government (exclusive of elective public office but including advisory, consulting, honorary, or other part-time service or positions), with dates of service:
3. **Elective Public Office:** List on a separate sheet all elective public offices sought and/or held with dates of service: ANDOVER SCHOOL BOARD CANDIDATE - 1987
4. **Honors and Awards.** List on a separate sheet all scholarships, fellowships, honorary degrees, honorary society memberships, and any other special recognitions for outstanding service or achievements: N/A
5. **Organization Affiliations.** List on a separate sheet all local, state, and national civic, cultural, educational, charitable, or work-related organizations you have been associated with in the past ten years. Include any position held in the organization and the dates of service.
6. **Organization Restrictions:** To your knowledge, is any organization listed above restricted on the basis of race, color, religion, sex, national origin, disability, marital status, or veteran status? If yes, please describe: No  Yes \_\_\_\_\_
7. **Issues.** Have you ever been publicly identified, in person or by organizational membership, with a particularly controversial national or local issue? If so, please describe. No  Yes \_\_\_\_\_
8. **Submission of views.** Have you ever submitted oral or written views to any governmental authority, whether executive or legislative, or to the news media on any particular controversial issue other than in an official governmental capacity? If yes, please describe. No  Yes \_\_\_\_\_
9. **Associations.** Have you ever had any association with any person, group, or business venture that could be used, even unfairly, to impugn or attack your character and qualifications for the position to which you seek to be appointed? If yes, please describe. No  Yes \_\_\_\_\_
10. **Opposition.** Do you know of any person or group who might take overt or covert steps to attack, even unfairly, your appointment? If yes, please identify and explain the basis for the potential attack on a separate sheet. No  Yes \_\_\_\_\_
11. **Miscellaneous.** List on a separate sheet any factors, other than the information provided above, which particularly qualify you or are relevant to the position to which you are seeking appointment? Include any special skills.



CONFLICTS OF INTEREST: (Yes answers require a detailed response. If necessary, use a separate sheet.)

12. Relationship to governmental employees. Are you or your spouse or other close family members related to any state governmental official or employee? If yes, please provide details. No  Yes
13. Compensation. During the past five years have you or your spouse or other close family members received any compensation or been involved in any financial transaction with the State of Kansas? If yes, please explain. No  Yes
14. Business relationships. Describe on a separate sheet any business relationship, dealing, or financial transaction which you have had during the last five years, whether for yourself, on behalf of a client, or acting as an agent, which you believe may constitute an appearance of impropriety or result in a potential conflict of interest in the position to which you want to be appointed. If none, please so state. None
15. Transactions with officials. During the past five years, have you or your spouse or other close family members received any compensation or been involved in any financial transaction with any state government official? If, yes, please explain on a separate sheet. No  Yes
16. Spouse or other family members. If the nature of employment for your spouse or other close family member is related in any way to the position to which you want to be appointed, please indicate the employer, the position, and the length of time it has been held. If it is not, please so state. N/A
17. Lobbying activities. Describe briefly on a separate sheet any lobbying activity during the past ten years in which you have engaged for the purpose of influencing the passage, defeat, or modification of any legislative or administrative action. Describe briefly any lobbying activity during the last ten years in which your spouse has engaged for the purpose of influencing the passage, defeat, or modification of any legislative or administrative action that is related in any way to the position to which you are seeking appointment. (Lobbying activity includes any activity performed as an individual or agent of another individual, or of any organization that involves direct communication with an official in the executive branch of state government, or any official of the legislative branch.) If none, please so state. N/A
18. Regulated activities. Describe on a separate sheet any interest that you, your spouse, or other close family member may have (whether as an officer, owner, director, trustee, or partner) in any corporation, firm, partnership, or other business enterprise and any non-profit organization or other institution that is regulated by or receives direct financial benefits from any department or agency of the State of Kansas. If none, please so state. None
19. Other. Please describe on a separate sheet any other matter in which you are involved that is or may be incompatible or in conflict with the discharge of the duties of the position to which you seek to be appointed or which may impair or tend to impair your independence of judgment or action in the performance of the duties of that position. If none, please so state. None

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CONFLICTS OF INTEREST: (Yes answers require a detailed response. If necessary, use a separate sheet.)

12. Relationship to governmental employees. Are you or your spouse or other close family members related to any state governmental official or employee? If yes, please provide details. No  Yes
13. Compensation. During the past five years have you or your spouse or other close family members received any compensation or been involved in any financial transaction with the State of Kansas? If yes, please explain. No  Yes
14. Business relationships. Describe on a separate sheet any business relationship, dealing, or financial transaction which you have had during the last five years, whether for yourself, on behalf of a client, or acting as an agent, which you believe may constitute an appearance of impropriety or result in a potential conflict of interest in the position to which you want to be appointed. If none, please so state. None
15. Transactions with officials. During the past five years, have you or your spouse or other close family members received any compensation or been involved in any financial transaction with any state government official? If yes, please explain on a separate sheet. No  Yes
16. Spouse or other family members. If the nature of employment for your spouse or other close family member is related in any way to the position to which you want to be appointed, please indicate the employer, the position, and the length of time it has been held. If it is not, please so state. N/A
17. Lobbying activities. Describe briefly on a separate sheet any lobbying activity during the past ten years in which you have engaged for the purpose of influencing the passage, defeat, or modification of any legislative or administrative action. Describe briefly any lobbying activity during the last ten years in which your spouse has engaged for the purpose of influencing the passage, defeat, or modification of any legislative or administrative action that is related in any way to the position to which you are seeking appointment. (Lobbying activity includes any activity performed as an individual or agent of another individual, or of any organization that involves direct communication with an official in the executive branch of state government, or any official of the legislative branch.) If none, please so state. N/A
18. Regulated activities. Describe on a separate sheet any interest that you, your spouse, or other close family member may have (whether as an officer, owner, director, trustee, or partner) in any corporation, firm, partnership, or other business enterprise and any non-profit organization or other institution that is regulated by or receives direct financial benefits from any department or agency of the State of Kansas. If none, please so state. None
19. Other. Please describe on a separate sheet any other matter in which you are involved that is or may be incompatible or in conflict with the discharge of the duties of the position to which you seek to be appointed or which may impair or tend to impair your independence of judgment or action in the performance of the duties of that position. If none, please so state. None

ETHICAL MATTERS: (Yes answers require a detailed response. If necessary, use a separate sheet.)

20. Citations. Have you ever been cited for a breach of ethics for unprofessional conduct by, or been named in a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If yes, please provide details.  
No  Yes
21. Convictions. Have you ever been convicted of or entered a plea of guilty or nolo contendere or forfeited collateral for any criminal violation other than a minor traffic offense? (Minor traffic offenses do not include the Kansas offenses of driving under the influence, operating while impaired, reckless driving, or the equivalent offenses in other states.) If yes, please explain.  
No  Yes
22. U.S. Military convictions. Have you ever been convicted by any military court? If yes, please provide details. No  Yes
23. Imprisonment. Have you ever been imprisoned, been on probation, or been on parole? If yes, please provide details. No  Yes
24. Agency proceedings: Civil Litigation. Are you presently, or have you ever been, a party in interest in any administrative agency proceeding or civil litigation that is related in any way to the position to which you are seeking appointment? If yes, please provide details.  
No  Yes
25. Agency proceedings and civil litigation of affiliates and family. Has any business in which you, your spouse, close family member or business associate are or were an officer, director or partner been a party to any administrative agency proceeding or civil litigation relevant to the position to which you are seeking appointment? If yes, please provide details. (With respect to this question, you need only consider proceedings and litigation that occurred while you, your spouse, close family member, or business associate were an officer of that business.)  
No  Yes
26. Other litigation. Other than the litigation described above, have you or any business in which you are or were an officer, director, or partner been a plaintiff or a defendant in a civil lawsuit? If yes, please describe. Is anyone currently threatening to sue you or any business in which you are an officer, director, or partner? If yes, please describe. No  Yes
27. Drivers license. Has your drivers license ever been suspended or revoked? If yes, please describe. No  Yes  1964 - three moving violations
28. Parking tickets. Do you have outstanding parking tickets from any jurisdiction in Kansas that have remained unpaid for more than 60 days? If yes, please explain. No  Yes
29. Security clearance denial. Have you ever been denied a military or other governmental clearance? If yes, please explain. No  Yes

30. Firings. During the past ten years, have you been fired from a job for any reason? Did you quit after being told that you would be fired, or did you leave by mutual agreement because of specific problems? If yes, please provide details. No  Yes
31. Alimony and child support. Are you now, or have you ever been delinquent in the payment of alimony or child support? If yes, please provide details. No  Yes
32. Consumption of alcohol. Are you currently abusing alcohol? No  Yes
33. Controlled substances. Are you currently engaged in the illegal use of a controlled substance or abusing the use of a prescribed controlled substance? If yes, please describe. No  Yes
34. Physical examination. If you receive a conditional offer of appointment or employment, would you be willing to take a physical examination, which may include a drug test? No  Yes
35. Other. Please provide any additional information, favorable or unfavorable, which you feel should be considered in connection with your appointment.

FINANCIAL MATTERS: (Yes answers require a detailed response. If necessary, use a separate sheet.)

36. Delinquencies. Are you delinquent on any federal, state, or local debt? (Include delinquencies for income, property, or other taxes; governmental loans; overpayment of benefits; required payments into or under governmental programs; and other debts or required payments to the government; plus any defaults on or under loans which are or were guaranteed, insured, or subsidized by any unit of government.) If yes, please provide details on a separate sheet of paper. No  Yes

REFERENCES/SIGNIFICANT SUPPORTERS (elected officials, community leaders, friends, etc.)

Name: CHARLIE JOHNSON Relationship to you: Co-worker - 14 years

Telephone: (316) 517-8800

Name: BRIAN BARENTS Relationship to you: FRIEND - 20 YEARS

Telephone: (316) 733-0118

Name: GEORGE FAHNESTOCK Relationship to you: FRIEND - 14 YEARS

Telephone: (316) 943-4238

Name: RUSS MEYER Relationship to you: SUPERVISOR - 19 years

Telephone: (316) 517-8000

**AUTHORIZATION AND CERTIFICATION:**

The facts set forth in my application are true and complete. False statements, answers, or omissions on this application shall be sufficient cause for nonconsideration or for dismissal after appointment or employment. I also recognize that my selection is based on receipt of satisfactory information from former employers and references, and upon my ability to perform the essential elements, with or without reasonable accommodations, for the position for which I am applying. I herein authorize investigation, without liability, of the information supplied by me in this application for employment or appointment including academic, occupational, health, law enforcement, and government records. I also authorize listed employers and references, without liability, to make full response to any inquiries in connection with this application for appointment or employment. I understand and agree that the terms, conditions, compensation, benefits, hours, schedule, and duration of my appointment or employment may be determined, changed, or modified from time to time at the will of the appointing authority or designee without limitation or condition. I FURTHER CERTIFY THAT I HAVE READ THE FOREGOING PARAGRAPH AND KNOWINGLY MAKE THIS AUTHORIZATION BY SETTING FORTH MY SIGNATURE.

I understand that if I am required to be registered, licensed, or certified by federal or state law or regulation for the position I seek, I will notify the appointing authority immediately if any investigation, limitation, or cancellation of my registration, licensure, or certification occurs. If any investigation, probation, limitation, or cancellation occurs, I understand that my failure to notify my appointing authority as described above will result in the termination of my appointment or employment.

Signature *[Handwritten Signature]* Date 2/3/03

Please attach a copy of your resume if you have not previously provided one to the Appointments office.

## Supplemental Information Sheet

Q2 Kansas, Inc; Kansas Enterprise Technology Corporation;  
Kansas Children's Cabinet

Q3 Kansas Foodbank Warehouse – Chairman, Board Member  
Wichita Children's Home; President & Board Member  
Greater Wichita Area Sports Commission – Chairman & Board Member  
Via Christi Regional Medical Center; Board Member  
Wichita Chamber; Board Member  
Kansas Chamber of Commerce & Industry Chairman & Board Member

Q13 Daughter, Stacia Wohlford worked as an assistant to Lt. Governor Gary Sherrer

Q26 Cessna Aircraft has been the subject of several law suits over the years. Primarily  
for product liability.

It is unknown if anyone is threatening to sue Cessna at this time



## KANSAS GOVERNMENTAL ETHICS COMMISSION

STATEMENT OF SUBSTANTIAL INTERESTS FORM

**INSTRUCTIONS.** This statement (pages 1 through 4) must be completed by individuals who are required to do so by law. Any individual who intentionally fails to file as required by law, or intentionally files a false statement, is subject to prosecution for a class B misdemeanor.

Please read the "Guide" and "Definition" section provided with this form for additional assistance in completing sections "C" through "G". If you have questions or wish assistance, please contact the Commission office at 109 West 9th, Topeka, KS or call 785-296-4219.

**A. IDENTIFICATION:** PLEASE TYPE OR PRINT

MOORE  
Last Name

JOHN  
First Name

E  
MI

MARTHA  
Spouse's Name

14305 SHANNON CIRCLE

Number & Street Name, Apartment Number, Rural Route, or P.O. Box Number

WICHITA, KANSAS 67230  
City, State, Zip Code

(316) 733-4771  
Home Phone Number (include area code)

(785) 296-2213  
Business Phone Number (include area code)

**B. THIS FORM IS REQUIRED TO BE FILED BECAUSE YOU ARE:**

(check one or more of the following)

1. State Elected Official (Governor, Lt. Governor, Attorney General, Commissioner of Insurance, State Treasurer, Secretary of State, State Senator, State Representative, Member of State Board of Education or District Attorney);
2. Appointed Member of a State Board, Council, Commission or Authority;
3. Appointed State Position is Subject to Senate Confirmation;
4. Employee of a State Agency or University;
5. General Counsel for a State Agency;
6. Candidate for State Office.

List Name of Agency, Board, University or Elected Position (You may use abbreviations but not acronyms)

COMMERCE & HOUSING

Division if applicable (May use acronyms)

SECRETARY

Position

\* The last four digits of your social security number will aid in identifying you from others with the same name on the computer list. This information is optional.

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C. OWNERSHIP INTERESTS: List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for income, and specific stocks, mutual funds or retirement accounts in which either you or your spouse has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5%, whichever is less. If you or your spouse own more than 5% of a business, you must disclose the percentage held. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "C", check here \_\_\_\_.

BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTERESTS HELD	PERCENT OF OWNERSHIP INTERESTS	HELD BY WHOM
1. JOHN & MARTY MOORE REVOKABLE TRUST FUND		INVESTMENT & REAL PROPERTY	JOINTLY	
2. CITIGROUP INC		Stock		
3. TEXRON, INC		STOCK		
4. TRAVELERS PPTY CASSET - A & B		STOCK		
5. BANK OF AMERICA		STOCK		
6. NATIONS MARISCO FOCUSED EQUITY B		MUTUAL FUNDS		
7. Leawood Ks G.O. Bonds				
8. Centennial Money Market				
9. Kansas Dev Finance Auth Bonds				
10. Shawnee General Obligation Bonds				
11. Wyandotte County Unfunded Government Bonds				

D. GIFTS OR HONORARIA: List any person or business from whom you or your spouse either individually or collectively, have received gifts or honoraria having an aggregate value of \$500 or more in the preceding 12 months.

If you have nothing to report in Section "D", check here \_\_\_\_.

NAME OF PERSON OR BUSINESS FROM WHOM GIFT RECEIVED	ADDRESS	RECEIVED BY:
1. CESSNA AIRCRAFT COMPANY	WICHITA	J & M MOORE
2.		
3.		



E. **RECEIPT OF COMPENSATION:** List all places of employment in the last calendar year, and any other businesses from which you or your spouse received \$2,000 or more in compensation (salary, thing of value, or economic benefit conferred on in return for services rendered, or to be rendered), which was reportable as taxable income on your federal income tax returns.

1. YOUR PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR. IF SAME AS SECTION "B", CHECK HERE \_\_\_\_.  
If you have nothing to report in Section "E"1, check here \_\_\_\_.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.	CESSNA AIRCRAFT COMPANY	WICHITA	AIRCRAFT
2.			

2. SPOUSE'S PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR.  
If you have nothing to report in Section "E"2, check here .

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.			
2.			

F. **OFFICER OR DIRECTOR OF AN ORGANIZATION OR BUSINESS:** List any organization or business in which you or your spouse hold a position of officer, director, associate, partner or proprietor at the time of filing, irrespective of the amount of compensation received for holding such position. Please insert additional page if necessary to complete this section.  
If you have nothing to report in Section "F", check here \_\_\_\_.

	BUSINESS NAME AND ADDRESS	POSITION HELD	HELD BY WHOM
1.	KANSAS CHAMBER OF COMMERCE & INDUSTRY	BOARD MEMBER	J MOORE
2.	KANSAS FOODBANK WAREHOUSE	BOARD MEMBER	J MOORE
3.	VIA CHRISTI REGIONAL MEDICAL CENTER	BOARD MEMBER	J MOORE
4.	GOODWILL INDUSTRIES EASTER SEALS	BOARD MEMBER	J MOORE
5.			
6.			
7.			
8.			

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1-8

G. **RECEIPT OF FEES AND COMMISSIONS:** List each client or customer who pays fees or commissions to a business or combination of businesses from which fees or commissions you or your spouse received an aggregate of \$2,000 or more in the preceding calendar year. The phrase "client or customer" relates only to businesses or combination of businesses. In the case of a partnership, it is the partner's proportionate share of the business, and hence of the fee, which is significant, without regard to expenses of the partnership. An individual who receives a salary as opposed to portions of fees or commissions is generally not required to report under this provision. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "G", check here .

	NAME OF CLIENT / CUSTOMER	ADDRESS	RECEIVED BY
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H. **DECLARATION:**

I, JOHN E MOORE, declare that this statement of substantial interests (including any accompanying pages and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of all of my substantial interests and other matters required by law. I understand that the intentional failure to file this statement as required by law or intentionally filing a false statement is a class B misdemeanor.

2/3/03

Date

John E Moore

Signature of Person Making Statement

NUMBER OF ADDITIONAL PAGES \_\_\_\_\_

Return your completed statement to the Secretary of State, Memorial Hall, First Floor, 120 SW 10th Ave., Topeka, Kansas 66612-1594.

# KANSAS

DIVISION OF THE BUDGET  
DUANE A. GOOSSEN, DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

February 10, 2003

The Honorable Karin Brownlee, Chairperson  
Senate Committee on Commerce  
Statehouse, Room 136-N  
Topeka, Kansas 66612

Dear Senator Brownlee:

SUBJECT: Fiscal Note for SB 133 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 133 is respectfully submitted to your committee.

SB 133 would amend statutes governing the compilation and publication of certain statistics and data under the Workers Compensation Act. Under current law, the Director of Workers Compensation is required to compile and maintain a database of information on characteristics and costs related to both open and closed claims. SB 133 would remove the requirement for maintaining such a database on open claims.

Passage of SB 133 would relieve the Department of Human Resources from collecting information on open claims, performing analysis of open claims characteristics and costs, or reporting the information in its annual report. Therefore, savings in administrative costs are expected. However, the Department states that any fiscal effect resulting from the passage of SB 133 would be negligible.

Sincerely,



Duane A. Goossen  
Director of the Budget

cc: Bill Schafer, Human Resources'

Jerrod Forbes, Insurance

Senate Commerce Committee

**TESTIMONY BEFORE THE SENATE COMMERCE COMMITTEE  
ON SENATE BILL 133**

**by Philip S. Harness, Acting Director of Workers Compensation  
February 11, 2003**

K.S.A. 44-557a concerns the ability of the Division of Workers Compensation to “make valid statistical conclusions as to the distribution of cost of workers compensation benefits” and to report those results to the Legislature. In other words, the Division is asked to identify and analyze the important costs (i.e., indemnity, medical & vocational rehab) associated with workers compensation claims. In addition, 44-557a also asks the Division to analyze the “causation of compensable disabilities in the state of Kansas.”

From a statistical point of view, you need to understand what makes for the variation in costs associated with a claim. In other words, what explanation can the Division give for the variation in costs associated with workers compensation claims? The best method to achieve this purpose, and yet still make valid statistical conclusions, is to do an annual cross-sectional study examining samples of closed claims. By removing the word “open” from 44-557a, we are not implying that we are not interested in claim costs – quite the contrary. A better measure is the accumulated change in costs over the life of the claim, which means ones that have closed out. Workers compensation claims have a natural life cycle, and it is after that cycle has ended that we think it best to do statistical analyses of the distribution of costs or to make any statistical inferences about cost drivers.

Language from subsection (b), (1) through (4), which refers to collecting open claims data on payments made either daily or weekly for indemnity, medical and vocational rehabilitation services should be removed. It is both more desirable and affordable, for both the Division and the insurers, to collect and report claims cost information on a yearly basis, as previously pointed out. We are interested in the cost data, but only after the fact (once closed) and only in aggregate amounts. Removing the language regarding open claims and the mandate to collect payment data more than once a year will allow the Division to focus its resources on claims at the end of their life cycle. In summary, it is more efficient and more valid, from a statistical point of view, to use a representative sample of claims for analyzing the distribution of workers compensation costs in Kansas on an annual, rather than a weekly, basis and on claims that have been closed.

Since vocational rehabilitation providers are not payers under the system, but rather are payees, and do not have “closed claims” to report, vocational rehabilitation providers should be removed from the reporting requirement (p. 1, line 33; p. 2, line 6), both for claims reporting and medical fee reporting, as well as from the penalty provisions (p 2, line 25).

Subsection (b) dealing with medical information (p.2, line 5) should be placed in a separate subsection (which would be new subsection (c) as that requirement is for all medical information, not just a statistically significant sample.

Senate Commerce Committee

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Attachment 3-1

SENATE BILL No. 133

By Committee on Commerce

2-4

3-2

9 AN ACT concerning workers compensation; relating to compilation and  
10 publication of certain statistics and data; amending K.S.A. 2002 Supp.  
11 44-557a and repealing the existing section.

12  
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2002 Supp. 44-557a is hereby amended to read as  
15 follows: 44-557a. (a) The director shall: (1) Compile and publish statistics  
16 to determine the causation of compensable disabilities in the state of  
17 Kansas and (2) compile and maintain a database of information on claim  
18 characteristics and costs related to ~~open and~~ closed claims, in order to  
19 determine the effectiveness of the workers compensation act to provide  
20 adequate indemnity, medical and vocational rehabilitation compensation  
21 to injured workers and to return injured workers to remunerative em-  
22 ployment. The commissioner of insurance shall cooperate with the direc-  
23 tor and shall make available any information which will assist the director  
24 in compiling such information and statistics and may contract with the  
25 director and the secretary of the department of health and environment  
26 to collect such information as the director deems necessary. The secretary  
27 of revenue shall cooperate with the director and shall disclose individual  
28 income taxpayers names, addresses and social security numbers to the  
29 director to be used solely for the verification of workers compensation  
30 data files. For purposes of this subsection, such disclosure shall not be  
31 considered the disclosure of any particulars of a report or return.

In order to further the purposes of subsection (a), each

32 (b) ~~Each self-insured employer, group-funded workers compensation~~  
33 ~~pool, insurance carrier and vocational rehabilitation provider shall submit~~  
34 ~~to the director the disposition of a statistically significant sample of open~~  
35 ~~and closed claims under the act and, in connection with the closing of~~  
36 ~~each claim in which payments were made, the following: (1) The dates,~~  
37 ~~time intervals, amounts and types of weekly disability payments made; (2)~~  
38 ~~the dates and gross amounts of payments made to each type of medical~~  
39 ~~compensation provider; (3) the dates and type of service for which pay-~~  
40 ~~ment was made and the gross amounts paid to each vocational rehabili-~~  
41 ~~tation provider, and (4) the dates and types of fees paid as claim costs.~~  
42 Unless provided by regulations to the contrary, on or after January 1,  
43 2004, any insurer, group-funded workers compensation pool or self-in-

and

33

1 sured employer who voluntarily submits claim information to the director  
 2 pursuant to release 1 of the international association of industrial accident  
 3 boards and commission's electronic data interchange implementation  
 4 guide dated August 9, 1995, and amendments thereto, up to April 4, 2002,  
 5 shall be deemed to be in compliance. ~~Each self-insured employer, group-~~  
 6 ~~funded workers compensation pool, insurance carrier, vocational reha-~~  
 7 ~~ilitation provider, or health care facility shall submit medical informa-~~  
 8 ~~tion, by procedure, charge and zip code of the provider, or by hospital~~  
 9 ~~charge and related diagnostic and procedure codes in order to set the~~  
 10 ~~maximum medical fee schedule. The director of workers compensation~~  
 11 ~~may adopt and promulgate such rules and regulations as the director~~  
 12 ~~deems necessary for the purposes of administering and enforcing the~~  
 13 ~~provisions of this section.~~

(c)

14 (d) ~~(c)~~ The director may contract for professional actuarial or statistical  
 15 services to provide assistance in determining the types of information and  
 16 the methods of selecting and analyzing information as may be necessary  
 17 for the director to conduct studies of ~~open and~~ closed claims under the  
 18 workers compensation act and to enable the director to make valid sta-  
 19 tistical conclusions as to the distribution of costs of workers compensation  
 20 benefits.

21 (e) ~~(d)~~ The director shall obtain such office and computer equipment  
 22 and employ such additional clerical help as the director deems necessary  
 23 to gather such information and prepare such statistics.

24 (f) ~~(e)~~ If a self-insured employer, group-funded workers compensation  
 25 pool, insurance carrier ~~or vocational rehabilitation provider~~ fails to supply  
 26 the information required by this section, the director shall issue and serve  
 27 upon such person a summary order or statement of the charges with  
 28 respect thereto and a hearing shall be conducted thereon in accordance  
 29 with the provisions of the Kansas administrative procedure act. An ad-  
 30 ministrative penalty of up to \$500 for each violation or act, along with an  
 31 additional penalty of up to \$100 for each week thereafter that such report  
 32 or other information is not provided to the director shall be imposed.

or

33 Sec. 2. K.S.A. 2002 Supp. 44-557a is hereby repealed.

34 Sec. 3. This act shall take effect and be in force from and after its  
 35 publication in the statute book.

# LEGISLATIVE TESTIMONY



*The Unified Voice of Business*

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SB 133

February 11, 2003

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony before the Senate Committee on Commerce  
By Terry Leatherman, Vice President – Legislative Affairs

Madam Chairperson and members of the Committee:

My name is Terry Leatherman. I am the Vice President of Legislative Affairs for the Kansas Chamber of Commerce and Industry. Thank you for the opportunity to present brief testimony in support of SB 133.

SB 133 amends KSA 44-557, the section of Kansas law concerning workers compensation, and specifically the information the Division of Workers Compensation compiles. The section of the law is a product of the massive reform of the Workers Compensation Act by the Legislature in 1993. At that time, a lawmaker complaint was that policy decisions were being rendered without the statistical support they desired, thus the emphasis on an information arm of the state workers compensation division.

The Division's information gathering efforts come at a cost, borne exclusively by Kansas employers. First, there is the portion of the Division's personnel and equipment employers pay for in the annual assessment paid to run the Division's operation. In addition, there is the cost to comply with information gathering requirements imposed by the state on insurance companies and employers chosen to report each year. In the decade this statute has been in existence, it can be questioned whether the information gathered by the effort has justified the cost and regulatory compliance requirements placed on Kansas business.

SB 133 proposes to simplify the process by eliminating the reporting of open claim information. Since the genesis of KSA 44-557 is to provide the information the Legislature needs to make policy decisions, KCCI

Senate Commerce Committee

2-11-03

Attachment

4-1

w suggest the Committee further review this bill with a goal of a user-friendly information system  
delivers what lawmakers needs.

Thank you for the opportunity to comment on SB 133. I would be happy to answer any questions.

**About the Kansas Chamber of Commerce and Industry**

The Kansas Chamber of Commerce and Industry (KCCI) is the leading broad-based business organization in Kansas. KCCI is dedicated to the promotion of economic growth and job creation and to the protection and support of the private competitive enterprise system.

KCCI is comprised of nearly 2,000 businesses, which includes 200 local and regional chambers of commerce and trade organizations that represent more than 161,000 business men and women. The organization represents both large and small employers in Kansas. 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.



# BRAD SMOOT

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Statement of Brad Smoot  
Legislative Counsel  
The American Insurance Association  
Senate Commerce Committee  
Regarding 2003 Senate Bill 133  
February 11, 2003

Madam Chair and Members:

On behalf of the American Insurance Association (AIA), we are pleased to have the opportunity to comment on Senate Bill 133. AIA is a trade association of more than 300 companies offering property and casualty insurance in all fifty states. Our members provide home owners, auto, workers comp and general liability for hundreds of thousands of Kansas families and businesses.

We are pleased to support the passage of SB 133 which reduces the burdens of insurers, self-insureds and group funded pools to report claims data. Previous law required such payers to collect and submit open as well as closed claims, even though open files are of little value to the state in analyzing claim trends. For carriers, self-insureds and pools which are not prepared to submit via the IAIABC Release I format next January, this reduction in work load will be cost effective and greatly appreciated.

We commend the Committee and the Division of Workers Compensation for this legislation. While issues relating to electronic submission of first report of injury (FROI) and the new medical claims data mechanism operated by the Department of Health & Environment remain, SB 133 is a step in the right direction.

Thank you.

Senate Commerce Committee

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Attachment 5

SENATE COMMERCE COMMITTEE

SB 133

February 11, 2003

MADAM CHAIR AND MEMBERS OF THE COMMITTEE:

My name is Janet Stubbs, Administrator of the Kansas Building Industry Workers Compensation Fund. We are a heterogeneous pool established in 1993 to serve members of the residential and light commercial construction industry. We currently operate at just over \$9.5 million in annual premium for approximately 700 companies.

The KBIWCF is, and has been, one of the Division's "chosen few" to make the required reports since they began this process. We have no objection to reporting this information to the Division. However, we do ask that the Division make the reporting requirements as simple a process for the coverage providers as possible. We are of the opinion that in the early stages of this effort by the Division that the requirements were cumbersome, time consuming and probably could have been achieved in a more expedient manner.

The concern we are here to express today relates to the cost to the coverage provider to comply with this requirement. The KBIWCF is about to implement a special software we have developed to meet the needs of the Fund since we allow the participating companies to pay monthly premiums based upon the previous month's payroll. This is, of course, after the statutorily mandated 25% deposit is paid. When we began the process of developing this software, we took our programmers to meet with the Division staff to be sure we could comply with what they were going to require.

We are still of the opinion that Kansas could achieve the goals established by the Legislature without requiring the use of a VAN and allow the providers to report direct to the Division. They maintain this would be too expensive to implement. During our meeting with the Division, they assured our programmers that our Fund would be able to report via the internet and avoid the expense of sending our data to an outside source to be transmitted to the Division. If this is what happens, then we do not object. However, to add additional expense to workers compensation insurance coverage at a time when costs are already rising, would be burdensome for small companies to meet the premium cost which would be required.

My appearance today is to express concern about requirements which place additional expense to our operation for the benefit of a "cottage industry" when the insurance market is already witnessing increasing costs via escalating medical expense and exorbitant excess insurance premium.

Thank you for the opportunity to appear and I would be glad to answer any questions.

Senate Commerce Committee

2-11-03

Attachment 6