

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Nancey Harrington at 10:45 a.m. on February 11, 2003 in Room 245-N of the Capitol.

All members were present except: Senator Vratil, excused
Senator Lyon, excused

Committee staff present: Russell Mills, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Theresa Kiernan, Office of the Revisor
Nikki Kraus, Committee Secretary

Conferees appearing before the committee: Howard Fricke, Acting Secretary of Administration

Others attending: Please see attached.

Chairperson Harrington opened the public hearing:

Confirmation of Secretary of Administration, Howard Fricke

Mr. Fricke presented the committee with a packet of information entitled "Senate Confirmation Information Summary". (Attachment 1)

Mr. Fricke thanked the committee for adjusting its schedule. He stated that he sincerely appreciated it so that he can go fishing in South America. He stated that he was honored and excited at the chance to help the state government now that he has moved on from Security Benefit Insurance group to hopefully now Secretary of Administration. He stated that there were several areas in administration in which they were doing things right, but haven't sat back often enough to see if we were doing the right things. He stated that there were a number of areas at which he hoped to look with the help of a lot of good people to see if we can become more cost efficient and especially more customer focused. He stated that had been his career, and if that was not being done, you need to figure out a way to satisfy the needs and wants of the customer or stop doing it, one of the two; the customers are the people of the state of Kansas, and he will work to change that environment in the Department of Administration to be sure it is more responsive to the customer. He offered to answer any questions.

Chairperson Harrington stated that he had already taken the bull by the horns, and she had noticed a change in the stationary letterhead and it looks a lot better. She stated he was off to a good start.

Senator Teichman stated that he said that he was looking at things to make the department more efficient, and she would like more detail. Mr. Fricke responded that they have a division of printing, a division of purchasing, and a division of facilities management, and he feels that they can combine those under a single division head that will help coordinate and foster cooperation among divisions as opposed to three separate entities, and he had already taken steps toward that end. Additionally, he said this change would help with cross training and other helpful things that would come naturally. He stated that, although not fully explored yet, they were looking at a bill recently passed by Congress to make federal contracts available to states; he is reassessing if they can take advantage of the work that has already been done at the federal level.

Senator Brungardt stated that Mr. Fricke had a rich history of varied activity in both business and, uniquely, also in government in Illinois. Senator Brungardt asked Mr. Fricke to share with the committee some of the differences in private industry versus government.

Mr. Fricke stated that through his experience in Illinois, he had learned that government cannot be run exactly like a business, but that some things are applicable and he will try to bring those, although they are common

CONTINUATION SHEET

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE at 10:45 a.m. on February 11, 2003 in Room 245-N of the Capitol.

sense measures like energizing the workforce, making the employees feel like what they do is valuable, as are their opinions, and that we are all state workers without divisions.

Senator Gooch stated that he noticed Mr. Fricke came from a large business, and that his only connection to Security Benefit had been to go in the office and withdraw. He stated, though, that through this association, he had not gotten a chance to look at the whole makeup of people, but that in his experience, he never saw anyone of color in his organization and the level of people who he was with were not the upper level of employees. Senator Gooch stated that he wondered if Mr. Fricke had in business a diversity and, if not, will he be looking forward to doing what the Governor has said she wants in terms of the government representation looking like the whole of Kansas, and that he would imagine that would have to start with the people in the upper levels seeing that this happens. He stated that he would be interested to hear Mr. Fricke's perspective on what existed with his management and explain how he will carry out the request for diversity that the Governor had given.

Mr. Fricke stated that, with respect to Security Benefit, a Diversity Council had been created ten years ago and that minorities were represented in all aspects in percentages exceeding those of the population of Topeka at all levels. He stated that the last four to five years running they has won diversity awards and that there were financial benefits for those who were able to meet EEOC standards. He said that it was common sense for his organization to look like the people it served because that was good business. He stated that both Working Mother magazine and Fortune magazine recognized Security Benefit, and that they were the only company in Kansas to have received such an honor. Mr. Fricke assured Senator Gooch that he would pay attention to diversity.

Chairperson Harrington stated that she had two questions from Senators not on the committee. The first was how much time would he have to dedicate to his position as Secretary of Administration when, as he had stated, he was a member of 26 commissions and 20 boards.

Mr. Fricke replied that this would be his full-time job, just like his full-time job at Security Benefit had been chairman and CEO, yet he had maintained memberships on boards ranging from Payless Shoes to the Symphony. He stated that he felt it was important to stay involved with the community and he felt these memberships were an appropriate use of his time.

Chairperson Harrington stated that her other question was concerning what type of major changes Mr. Fricke was planning to implement in the state.

Mr. Fricke replied that primarily that referred to consolidation of the heads of the departments of printing, facilities management, and purchasing.

Chairperson Harrington asked Mr. Fricke what his policy was regarding laid off state employees.

Mr. Fricke replied that there was already a state-wide policy currently; if that job is no longer needed, then the state would either need to somehow add value to that service, or stop doing it. He stated that the state should implement what is just and humane, but that the state has limited funds and it is inappropriate to pay for unnecessary services.

Senator Gooch stated that because of the responses Mr. Fricke had given to his questions, he would make a motion. Senator Gooch made a motion to recommend the confirmation of Mr. Howard Fricke favorable for passage to the entire Senate. Senator Teichman seconded the motion. The motion passed.

Chairperson Harrington asked the committee for any bill introductions.

Senator Gilstrap asked the committee for the introduction that would add Wyandott County to the list of 11-12 other counties as a class D city.

Following committee discussion, Senator Gooch made a motion to introduce Sen. Gilstrap's bill. Senator O'Connor seconded the motion to introduce. The bill was introduced.

CONTINUATION SHEET

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE at 10:45 a.m. on February 11, 2003 in Room 245-N of the Capitol.

Senator O'Connor made a motion to introduce a bill concerning paycheck protection stating that the President of the Senate suggested that she introduce the idea into legislation, so she had basically taken his language in the bill. In response to a question from Senator Brungardt, Senator O'Connor stated that the bill would essentially keep union employees' dues from being used for political purposes.

Senator Brungardt made a motion to introduce Senator O'Connor's bill. Senator Barnett seconded the motion. The bill was introduced.

Chairperson Harrington stated that she had been asked by Senator Brownlee to introduce a bill, and Theresa Kiernan would explain it to the committee.

Ms. Kiernan stated that the bill sought to increase penalties for minors concerning the consumption of cereal malt beverages, and that it would take out the allowance for parents to provide it to minor children; it increases that penalty provision also.

In response to a question for more detail from Senator Teichman, Ms. Kiernan stated that it would suspend the driving privileges of underage consumers if consuming CMB or alcohol and also increases the fines and public service requirements they might be assigned.

Following additional discussion, Senator O'Connor made a motion to introduce the bill. Senator Barnett seconded the motion. The bill was introduced.

The meeting adjourned at 11:11 a.m. The next meeting will be at 10:45 a.m. on February 12, 2003 in Room 245-N.