

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on March 10, 2011, in Room 144-S of the Capitol.

All members were present except:
Senator Steve Morris

Committee staff present:
Jason Long, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Dennis Hodgins, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Connie Burns, Committee Assistant

Conferees appearing before the Committee:
Representative Jan Pauls
Representative Marvin Kleeb
Dave Trabert, Kansas Policy Institute
Jane Carter, Kansas Organization of State Employees
Jeffrey Hewitt, Teamster Local Union 696
Fernando Harms, Teamster Local Union 696
Jeremy Hendrickson, Laborers Local Union 1290PE, Kansas City

Others attending:
See attached list.

Sub HB 2188--Requiring fiscal notes for certain resolutions

Chairman Brungardt opened the hearing on **Sub HB 2188**.

Representative Jan Pauls spoke in favor of the bill. ([Attachment 1](#)) The bill makes only one change in the law regarding the law requiring fiscal notes, fiscal notes are not required for resolutions. The bill should be further amended to add "or resolution" in lines 17, 18, 19 (twice), and 23.

Chairman Brungardt closed the hearing on **Sub HB 2188**.

HB 2120--Kansas government effectiveness and efficiency commission act

Chairman Brungardt opened the hearing on **HB 2120**.

Staff provided an overview of the bill.

Dave Trabert, President, Kansas Policy Institute, testified in favor of the bill. ([Attachment 2](#)) The bill has two fundamental issues to consider (1) whether to form an independent commission and (2) if so, the particulars of its membership, governance and duties. Current and future taxpayers can only benefit from having an independent commission to examine the executive branch of government in search of ways to reduce costs and increase both efficiency and effectiveness.

Daniel M. Rothschild, Managing Director, State and Local Policy Project, George Mason University, provided written testimony in support of the bill. ([Attachment 3](#)) Mr. Rothschild stated in his testimony that Kansas would be well served by the commission this bill would create.

Kent Eckles, vice President of government Affairs, The Kansas Chamber, provided written testimony in support of the bill. ([Attachment 4](#)) Mr. Eckles stated in his testimony that the bill will make the state more efficient and effective with limited taxpayer dollars.

Scott Douglas, Larned, Kansas, provided written testimony in support of the bill. ([Attachment 5](#))

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Jane Carter, Executive Director, Kansas Organization of State Employees, spoke in opposition to the bill. (Attachment 6) This bill takes the power of oversight out of the hands of the Legislature and ignores the need for good, quality services, and strongly urges the Committee to oppose this legislation.

Jeremy Hendrickson, Business Manager and Secretary/Treasurer, Laborers' Public Service Employees Local 1290PE, provided written testimony in opposition to the bill. (Attachment 7) Mr. Hendrickson stated the Legislative powers should not be delegated to a Commission that operates outside of normal channels and is not subject to oversight.

Luke Bell, Vice President of Governmental Affairs, Kansas Association of Realtors, (Attachment 8) and Gary Reser, Executive Vice President, Kansas Veterinary Medical Association, (Attachment 9) provided written testimony as neutral and asked the committee to retain the exclusion of fee funded agencies found in the bill intact.

William W. Sneed, Legislative Counsel, the University of Kansas Hospital Authority, provided neutral written testimony on the bill, requesting the Committee add language to the bill specifically exempting the University of Kansas Hospital Authority. The Authority was designed to act as a private entity, not as a state agency, in order to compete in a hospital environment. (Attachment 10)

Chairman Brungardt closed the hearing on **HB 2120**.

HB 2194--Creating the council on efficient government; requirements concerning state contractors

Chairman Brungardt opened the hearing on **HB 2194**.

Staff provided an overview of the bill.

Representative Marvin Kleeb spoke in favor of the bill. (Attachment 11) The bill establishes a systematic process for evaluating privatization opportunities, and enables and encourages private-sector involvement, input and expertise in the process.

Dave Trabert, President, Kansas Policy Institute, testified in favor of the bill. (Attachment 12) Mr. Trabert believes the formation of such a panel is essential to creating a pro-growth economic environment.

Leonard C. Gilroy, AICP Director of Government Reform Reason Foundation, Los Angeles, California, provided written testimony in support of the bill. (Attachment 13) Mr. Gilroy stated in his testimony by applying competition to non-core activities would free up valuable resources for agencies to complete their missions and provide the greatest value to taxpayers.

Written testimony in favor of the bill was provided by Ron Hein, Kansas Restaurant and Hospitality Association, (KRHA). The KRHA Board has specifically addressed the issue whether state or local governments should engage in operations which are traditionally private sector ventures, and also what process should be followed by government when entertaining ventures into traditionally private sector ventures. (Attachment 14)

Jane Carter, Executive Director, Kansas Organization of State Employees, testified in opposition to the bill. (Attachment 15) HB 2194 is an outsourcing bill that jeopardizes the jobs for thousands of state employees and does nothing for the tax payer but place a "for sale" sign on our state government. Also provided with Ms. Carter's testimony is a brief report compiled on privatization that analyzes the true costs of such attempts to privatize public service.

Fernando Harms, Business Agent, Teamsters Local Union 696, spoke in opposition to the bill. (Attachment 16) The privatization of state services such as corrections is a serious mistake that will have a severe and negative impact for Kansas taxpayers and compromise services within those correctional facilities.

Jeffrey Hewitt, Secretary-Treasurer, Teamster Local Union 696, testified in opposition to the bill. (Attachment 17) The privatization of state services such as corrections poses a serious risk to Kansas, a

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risk that will compromise not only our safety but the state's bottom line.

Jeremy Hendrickson, Business Manager and Secretary/Treasurer, Laborers' Public Service Employees Local 1290PE, spoke in opposition to the bill. (Attachment 18) The bill would allow state jobs to be outsourced not based on quality performance, but based only on costs. Fundamentally, the bill takes the approach that cheaper is always better.

William W. Sneed, Legislative Counsel, the University of Kansas Hospital Authority, provided neutral written testimony on the bill, requesting the Committee add language to the bill specifically exempting the University of Kansas Hospital Authority. The Authority was designed to act as a private entity, not as a state agency, in order to compete in a hospital environment. (Attachment 19)

Chairman Brungardt closed the hearing on **HB 2194**

The next meeting is scheduled for March 15, 2011. The meeting was adjourned at 11:55 a.m.