

Approved: 5-1-93
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Chairman Lana Oleen at 11:05 a.m. on March 16, 1993 in Room 254-E of the Capitol.

All members were present

Committee staff present: Mary Galligan, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
See attached list

Others attending: See attached list

The Chairman, Sen. Oleen, announced the confirmation hearing for Janet Chubb, as Executive Director of the Racing Commission. Ms. Chubb made a brief statement (Attachment 1) and answered questions from the committee. Sen. Papay questioned Ms. Chubb as to her qualifications for the position of executive director and asked if she has race track management experience and if she has experience working with breeders and trainers of greyhounds and horses. Ms. Chubb answered that she has no prior experience dealing with the industry until becoming Assistant Attorney General, and she emphasized her work with the commission to formulate policy and regulations. She continued by explaining the ideal candidate for the executive director position would be a person who has worked with the commission, has extensive knowledge of the racing industry and one who has legal/administrative experience. Sen. Tillotson asked if the commission interviewed other candidates for this position, and Ms. Chubb said to her knowledge, the commission did not interview other candidates. Sen. Tillotson asked the experience level of the previous executive director, and Bob Londerholm, who is Chairman of the Racing Commission, stated Dana Nelson had served as executive director for three years in South Dakota before accepting the executive director position here; Mr. Nelson was well respected in the racing industry. He continued by explaining, because of the nature of the racing industry, the executive director must be knowledgeable of racing regulations and must be very regulation detailed. Because of Ms. Chubb's previous experience working with the racing industry and the commission, he stated she has become very well respected. Sen. Oleen asked Ms. Chubb if she has participated in training seminars or participated in racing industry meetings. Ms. Chubb responded that she attended a racing seminar in Arizona and occupation licensee hearings, which concentrate on legal aspects of racing. She added she expects to attend other meetings as executive director and that the commission has urged staff members to attend more industry-related meetings. Sen. Oleen asked Ms. Chubb if anyone has replaced her as legal counsel for the commission. Ms. Chubb responded that Deborah Cox had been serving as assistant attorney general and will be the new legal counsel, with Karen Glickman serving as the other assistant attorney general. Sen. Vidricksen commented that during the early days of the racing industry in Kansas, he worked closely with the commission and Ms. Chubb and commended her as being very knowledgeable. Sen. Gooch referred to the confirmation form, and asked if experience in the racing industry is required of the executive director, or for appointments to the Racing Commission. Mr. Londerholm described the makeup of the present commission members and said the statutes do not require special knowledge of the racing industry. Sen. Oleen referred to the Confirmations Handbook, noting the standard requirements of residency in the state, etc. Sen. Oleen asked Ms. Chubb about a news announcement this morning of principals at the Wichita track and revocation of their licenses in Wisconsin. Ms. Chubb explained provisions dealing with licensee revocation in other states and stated she would have to study the written Orders, which she should receive in several days. She added an administrative hearing may have to be conducted here to deal with the problem, and it could result in revocation of the principals' license here in Kansas. Sen. Oleen concluded the confirmation hearing.

Sen. Oleen announced a hearing for SB 411, relating to parimutuel tellers, and recognized Janet Chubb, who gave testimony (Attachment 2) as a proponent. Sen. Ramirez asked if there have been complaints from The Woodlands regarding making up shortages from the cash box, and Ms. Chubb answered there have been administrative hearings conducted because of the problem. She added that the law does not mesh with other race track laws and makes the problem more difficult. Sen. Vidricksen stated he believes the federal law prohibits deductions from paychecks below the minimum wage, which is \$4.35. Ms. Chubb responded the commission does not want to interfere with the state law and that is the reason for the very narrow provision

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E
Statehouse, at 11:05 a.m. on March 16, 1993.

of this legislation and added the commission is concerned when an exception is made. Sen. Oleen questioned as to how often shortages occur. Ms. Chubb answered there have been administrative hearings conducted on three occasions and stated the tracks do not want to terminate employees because of shortages. The track licensees feel they must have some discretion in the matter. Sen. Hensley stated deducting shortages from employees paychecks is a violation of the Kansas Fair Wage Law and questioned Don Bruner, Kansas Department of Human Resources, for his opinion. Mr. Bruner stated he had discussed the problem extensively with Ms. Chubb. He stated Federal law prohibits deducting from an employees' paycheck below the minimum wage and that his concern is that tellers handle approximately \$328 million per year, and that is a lot of money and shortages will occur. However, deducting from the employees means any loss is deferred back to the employee, and the law specifically will not allow deductions from the employee. Sen. Parkinson asked if any other state agencies deduct from employees' pay, and Mr. Bruner responded that deductions are not allowed in any other agency, because it would violate the Wage Payment Act. He also reminded the committee that employers have due process.

Sen. Oleen introduced Rick Henson, who gave testimony (Attachment 3) supporting SB 411. Sen. Parkinson asked Mr. Henson what the hourly wage is at The Woodlands for mutuel clerks and what causes shortages. Mr. Henson replied the hourly wage is \$7.50, and there are a number of reasons for shortages, sometimes it's a mistake, sometimes it is intentional, sometimes there can be an over-payment, but we don't hear about those. Sen. Oleen asked when the clerks count their money, and Mr. Henson responded that they usually count it before returning to the money room; that the clerks can get verification of the balance on machines. He explained that the present policy is that after three shortages of \$1.00 or more, that employee may be terminated; one shortage of \$100.00 or more and the employee may be terminated. Sen. Oleen asked who makes the decision to fire an employee, and Mr. Henson responded that is his responsibility, but he does talk to the head of the department before firing an employee. Sen. Gooch asked, under present policy, where would the overage go, and Mr. Henson responded he believed it should go to the clerk. Sen. Jones asked if records are kept to tell where the losses come from and suggested the track look at training procedures. Mr. Henson replied that the clerks go through an extensive training period, but that even the seasoned employees make mistakes. He told of an employee with the track since 1989, who came up \$1200 short, and under present policy, he stated I have to let him go. He stated the track needs discretion in such matters and voiced support for the bill.

Sen. Oleen opened the hearing on HB 2129, relating to assistance of released inmates, and introduced Gary Stotts, who presented testimony (Attachment 4) supporting the bill. There were no questions and no other conferees.

Sen. Oleen called the committees' attention to HB 2128, which has been heard previously, and referred to an amendment (Attachment 5) for clarification. Mary Torrence recommended inserting additional language which would clarify this provision is directed to offenders in DOC (Standing Committee Report, Attachment 6). Mr. Stotts stated he supports the amendment. Sen. Vidricksen made a motion the committee adopt the amendment, and it was seconded by Sen. Ramirez; the motion passed. Sen. Vidricksen made a motion the bill be reported favorably as amended, and it was seconded by Sen. Jones; the motion passed.

Sen. Oleen announced hearings Wednesday and Thursday on SB 202 and stated she has complied with the committees' wishes regarding security; that there will be no standing allowed in the committee room and asked members to be prompt, as no one will be admitted to the room after the hearings begin.

Meeting adjourned at 12:05.

GUEST LIST

COMMITTEE: Senate Federal & State Affairs

DATE: MARCH 16, 1993

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
JOY ANN HIEBERT	N. Newton, KS	WAMF CHOICE
Donna Zenz	Newton, KS	WAMF CHOICE
Kevin McFarlin	Topeka	observing
DON BRUNER	"	KDHR
Robert C. Londerholm	Olathe KS	Ks. Racing Comm.
Janet A. Chubb	Topeka	Ks Racing Comm
Francis Inell	Topeka	Ks Racing Comm
KEN HARJO	TOPEKA	KS RACING Comm
Karen Tolle	Oriental Park	Ks Quarter Horse Assoc
JOE KICK HENSON	KANSAS CITY, KS	SUNFLOWER RACING
Deborah Cox	Topeka	KRC
KIM GOLLIN WATSON	TOPEKA	KRC
Jim & Sonia Yount	Topeka	K-Q-H. R. A.
Jennifer Hester	Emporia	Inter
Dan Schneider	Topeka	KFLHS
Phoebe May	K.C.	
Joann Wisdom	K.C.	
Norman Kuylen	Topeka	Grand National
Nichelle & Keith	Topeka	Coach (intern)
Tom Burgess	Topeka	Sunflower
Patrick Sherley	Topeka	McGill Assoc
Patti Weeber	Princeton	Ks. Horseman's Assn.
George Wyatt	Lawrence	Inter

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

AGENDA

March 16, 1993

Confirmation Hearing for Janet Chubb as Executive Director of the
Racing Commission

SB 411 - Proponent

Janet Chubb, Executive Director, Racing Commission

Rick Hemson, Gen. mgr., The Woodlands

HB 2129 - Proponent

Gary Stotts, Secretary, Department of Corrections

Action on bills previously heard and discussed

Attach. 1

SENATE FEDERAL AND STATE AFFAIRS -- March 16, 1993

My name is Janet Chubb. I am a native Kansan. I am married to Don Chubb, native Kansan and Topekan, owner of a neon and electric sign company. He is a Topeka history buff. Our only child is Molly, a graduating senior at KU this year.

I attended Shawnee Mission East High School and KU, where I met Don. He headed the political party that ran me for student body vice-president. We became good friends and were married our senior year.

We moved to Topeka, where we have lived and worked now for 25 years. I taught junior high school English at Highland Park for two years before Molly was born. When she was three, I entered Washburn Law School and graduated in 1976.

I served stints as research attorney for Chief Judge Jerome Harman, Kansas Court of Appeals, two years; associate, Fisher, Patterson, Saylor and Smith, lawyers, one year; assistant attorney general, two years; and solo practitioner, seven years. In 1987 Bob Stephan asked me to serve as assistant attorney general for the newly-appointed Kansas Racing Commission.

I was the commission's staff for the first few months of our undertaking. My education began in earnest when the commission appointed an advisory committee and asked me to meet with it to draft the regulations for the original racetrack applications, for licensing, for racetrack officials and racing rules for greyhounds and horses.

These persons met at least 20 times between October 1987 and May 1988, for eight to ten hours a meeting. At the same time the commission met once or twice weekly in 1988. We all had a lot to learn. We completed the first eight chapters of commission regulations by the summer of 1988.

Since that time, we have continued to expand our experience about racing and wagering by analyzing the racetrack applications and abstracting the voluminous finance plans to determine compliance with the Kansas constitution and racing act. When appropriate, we have investigated and prosecuted corporate and individual violations. We have introduced due process to the traditionally one-sided racetrack hearings. We have drafted and enforced stringent regulations for the safety and welfare of racing greyhounds and horses.

February 4, 1993, I was appointed executive director subject to confirmation by the Senate. I am proud of the Kansas Racing Commission and look forward to serving members as we continue to regulate racing and wagering in Kansas.

I am happy to stand for questions.

Sen. F. & S. Q.
2-16-93
Att 1

SENATE CONFIRMATION QUESTIONNAIRE
APPOINTMENTS BY GOVERNOR JOAN FINNEY

Name: Janet A. Chubb

Home Address: 1011 Cambridge Av.

City, State, Zip Code: Topeka, KS 66604

Home Phone: 913 / 271-5004

Business Address: 3400 Van Buren

City, State, Zip Code: Topeka, KS 66611

Business Phone: 913 / 296-5800

Date of Birth: 12/16/46 Place of Birth Lawrence, KS

Party Affiliation Republican KBI Check(Yes/No) yes, when
employed by commission (1987)

Appointed as: executive director

Effective 02/04/93 for the _____ term
ending _____ at the pleasure of the Kansas Racing Commission
Succeeding Dana Nelson

Salary \$58,000/yr Statutory Authority K.S.A. 74-8805

Statutory Requirements unclassified service/ devote full time to
duties/ be a citizen of US/ be an actual resident of Kansas/ not have
been convicted of a felony/ be familiar with horse and greyhound
industries.

1. EDUCATION:

High School Shawnee Mission East

Year Graduated 1964

Postsecondary	Degree, etc.	Dates
<u>University of Kansas</u>	<u>BS/education</u>	<u>1964-1968</u>
<u>Washburn Law School</u>	<u>JD</u>	<u>1973-1976</u>
_____	_____	_____

2. MEMBERSHIP IN BUSINESS, TRADE AND PROFESSIONAL ORGANIZATIONS DURING PAST 10 YEARS:

Dates	Name	Location
<u>1976-present</u>	<u>Kansas Bar Association</u>	<u>Topeka, KS</u>
<u>1976-present</u>	<u>American Bar Association</u>	<u></u>
<u></u>	<u></u>	<u></u>

3. HAVE YOU EVER BEEN ELECTED OR APPOINTED TO ANY PUBLIC OFFICE IN KANSAS? x Yes No
If so, please list dates and offices held.

Date	Office
<u>1979-1981</u>	<u>Assistant Attorney General</u>
<u>1987-1993</u>	<u>Assistant Attorney General</u>
<u></u>	<u></u>

4. HAVE YOU EVER BEEN EMPLOYED BY OR HELD A POSITION OR OFFICE WITH ANY FEDERAL, FOREIGN STATE, OR LOCAL GOVERNMENTAL ENTITY OR AGENCY? no
If so, please list dates and offices held:

<u></u>	<u></u>
<u></u>	<u></u>
<u></u>	<u></u>

5. HAVE YOU BEEN A REGISTERED LOBBYIST OR EMPLOYED A REGISTERED LOBBYIST AT ANY TIME DURING THE PAST 5 YEARS? no
If you were a registered lobbyist, did you receive any compensation?
List groups you represented or for which you employed a lobbyist:

<u></u>
<u></u>
<u></u>

6. EXPERIENCE OR INTERESTS WHICH QUALIFY YOU FOR THE OFFICE TO WHICH YOU HAVE BEEN APPOINTED:

Service as assistant attorney general 1979-1981/ service as
hearing officer for state agencies while engaged in solo practice
of law 1981-1987/ service as general counsel while employed
as assistant attorney general assigned to the Kansas Racing
Commission 1987-1993.

7. SUMMARY OF BUSINESS OR PROFESSIONAL EXPERIENCE: _____

Secondary English teacher 1968-1970

Research attorney, chief judge Court of Appeals 1976-1978

Associate, Fisher, Patterson, Saylor and Smith 1978

Assistant attorney general 1979-1981

Private practice of law 1981-1987

8. Assistant attorney general, racing commission 1987-1993
HAVE YOU EVER BEEN A MEMBER OF THE ARMED FORCES OF THE
UNITED STATES? no

If so, please list dates of service, branch of service and
date and type of discharge:

9. HAVE YOU EVER BEEN ARRESTED, CHARGED OR HELD BY FEDERAL,
STATE OR OTHER LAW ENFORCEMENT AUTHORITIES FOR VIOLATION OF
ANY FEDERAL LAW, STATE LAW, COUNTY OR MUNICIPAL LAW,
REGULATION OR ORDINANCE (EXCLUDING TRAFFIC VIOLATIONS FOR
WHICH A FINE OF \$100 OR LESS WAS IMPOSED)? no

10. DISPOSITION OF ANY INTERESTS THAT MIGHT HAVE PRESENTED A
POTENTIAL CONFLICT OF INTEREST FOR THIS POSITION.

none

Return to: Mary Holladay
Appointment Secretary
Office of the Governor
2nd Floor, State Capitol
Topeka, KS 66612

Janet A. Chubb
Signature



KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

STATEMENT OF SUBSTANTIAL INTERESTS FOR INDIVIDUALS WHOSE

APPOINTMENT TO STATE OFFICE IS SUBJECT TO SENATE CONFIRMATION

INSTRUCTIONS. This statement (pages 1 through 4) must be completed by each person whose appointment to a state position is subject to Senate confirmation (K.S.A. 46-247 and 46-248). Failure to complete and return this statement may result in a fine of \$10 per day for each day it remains unfiled. Also, 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 913-296-4219.

A. IDENTIFICATION:

PLEASE TYPE OR PRINT

c	h	u	b	b					J	a	n	e	t						A
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Last Name

First Name

MI

C	h	u	b	b						D	o	n	a	l	d							A
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Spouse's Name

1	0	1	1	C	a	m	b	r	i	d	g	e								
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Number & Street Name, Apartment Number, Rural Route, or P.O. Box Number

[illegible]

City, State, Zip Code

9	1	3	**	2	7	1	**	5	0	0	4
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Home Phone Number

9	1	3	**	2	9	6	**	5	8	0	0
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Business Phone Number

B. APPOINTED POSITION SUBJECT TO SENATE CONFIRMATION:

K	a	n	s	a	s		R	a	c	i	n	g		C	o	m	m	i	s	s	i	o	n	
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List Name of Agency, Commission or Board

e	x	e	c	u	t	i	v	e		d	i	r	e	c	t	o	r						
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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.

★

5	2	7	7
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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 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	HELD BY WHOM	PERCENT OF OWNERSHIP INTERESTS
1. Neon Tube Light Co. 605 SE 8th, Topeka	neon and electric signs	owner	X	100% You Spouse Jointly
2. General Motors 3044 W. Grand Blvd. Detroit, Mich. 48202-3091		200 shares	X	100% You Spouse Jointly
3. IBM Old Orchard Rd. Armonk NY 10504		100 shares	X	100% You Spouse Jointly
4. GTE 1 Stamford Forum Stamford, Conn 06904		200 shares	X	100% You Spouse Jointly
5. Santa Fe Pacific Pipeline Ptnshp. 888 S. Figueroa St. Los Angeles CA 90017		200 shares	X	100% You Spouse Jointly
6. Western Resources 818 Kansas Av. P.O. Box 889 Topeka KS 66601		500 shares	X	100% You Spouse Jointly
7. Security Fund Group 700 SW Harrison Topeka KS 66634-0001		\$40-50,000 mutual funds	X	100% You Spouse Jointly

- 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 X.

NAME OF PERSON OR BUSINESS FROM WHOM GIFT RECEIVED	ADDRESS	RECEIVED BY:
1.		
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.	Fidelity Kansas Bank shares	600 Kansas Av. Topeka	bank holding co.
2.		(just @ \$2,000)	

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.	Neon Tube Light Co.	605 SE 8 th , Topeka	neon and electric signs
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.	Fidelity Bank & Trust 600 Kansas Av., Topeka	director	Spouse
2.	Neon Tube Light Co. 605 SE 8 th , Topeka	president and director	Spouse
3.	Shawnee County Historical Society	Trustee	Spouse
4.	Grand Lake Yacht Club	director	Spouse
5.	Jayhawk Counsel, Boy Scouts of America	director	Spouse

- 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 X.

	NAME OF CLIENT / CUSTOMER	ADDRESS	RECEIVED BY
1.			
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13.			

H. **DECLARATION:**

I, Janet A. Chubb, declare that this statement of substantial interest (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.

0429-030593

Date

Janet A. Chubb

Signature of Person Making Statement

NUMBER OF ADDITIONAL PAGES ____.

Return your completed statement to the Secretary of State, State House, Topeka, Kansas 66612.

SENATE FEDERAL AND STATE AFFAIRS -- March 16, 1993

SB 411, testimony of Janet A. Chubb

Paragraph (f) of K.S.A. 74-8813 presently states:

"No organization licensee shall loan money or any other thing of value to any person for the purpose of permitting that person to wager on any race."

The Kansas racing commission would like to add the following words to that paragraph:

"In accordance with written procedures that have received the prior approval of the commission, each organization licensee shall be authorized to deduct from the wages of a parimutuel teller the actual monetary shortages detected in the organization licensee cashbox that is assigned to the teller."

The parimutuel teller at Kansas racetracks is an employee of the organization licensee, the nonprofit corporation that the Kansas constitution states may operate racing and wagering. This person is the cashier who picks up a cashbox from the money room before races begin, performs the fast-moving wagering transactions at the mutuel windows and other wagering areas and then returns the cashbox to the money room.

As quoted above, the Kansas parimutuel racing act does not permit the organization licensee to loan money to anyone for wagering. The racing commission believes this language prohibits tellers from "running tabs" for track patrons and from wagering themselves out of their boxes. The commission has also passed a regulation that specifically prohibits parimutuel tellers from wagering while on duty.

The commission has conducted hearings on several occasions concerning the issue of parimutuel tellers wagering and loaning money. The testimony has been that a majority of other racing jurisdictions allow tellers to wager out of their cashboxes and to repay any shortages from their wages. The Kansas commission is firm that it does not want tellers using the nonprofit monies in this manner. Because the practice is common in other racing states, enforcement here is difficult.

The statute and regulation are also difficult to enforce because the money transactions performed by the tellers are fast and complicated. Testimony before the commission is persuasive that even video monitors are limited as enforcement tools, because they do not reveal whether the teller is acting for himself or another. Commission staff has drafted guidelines for audits of the teller cashboxes to assure the commission and the wagering

San. F. & S. A.
2-16-93
Att 2

public that the nonprofit's monies are handled as they should be under the law. However, the audits will disrupt wagering activity, and there is some concern that, even though the commission has broad search powers, the audit may draw a challenge as an unreasonable search.

The commission believes that sending a clear message to the tellers that the boxes must balance is one of the most effective regulatory tools available. However, the Kansas wage payment law will not permit the licensees to deduct shortages from teller wages. The Kansas City and Wichita racetracks have defended administrative actions under that law concerning this situation.

The tracks have drafted employment policies to address the issue. They asked for the commission's assistance with the proposed amendment, because the policies leave them little discretion. Though the policies are somewhat different, both provide that parimutuel tellers may be terminated when cashboxes reflect shortages in a stated amount. The tracks must apply the same standard to all of these employees under state and federal laws. They and the commission believe the application of this narrow amendment to the act will allow tellers to "make good" the shortages in their cashboxes and thereby protect an employment relationship that is valued by the track licensee, the teller and the commission.

the
WOODLANDS



RACING

A Facility of Sunflower Racing, Inc.

Attach. -

TESTIMONY OF H. RICK HENSON

Thank you for the opportunity to address the committee today. My name is Rick Henson and I am the General Manager of The Woodlands in Kansas City, Kansas. I am here today to speak in support of Senate Bill No. 411.

I have spent over 25 years in the racing business in many different states including New Mexico, Colorado, California, Washington, and Louisiana. In every state in which I have worked, race tracks have always had the ability to recover shortages from mutuel clerks.

In Kansas, the current law has created difficulties, in our opinion, for both the tracks and the mutuel clerks. There are many examples I could give which would demonstrate how difficult this law is for the tracks including the mutuel clerk who punched out \$4,500.00 in different pari mutuel tickets prior to the race or the clerk who never turned the money bag with \$1,400.00 in it saying it was misplaced in a rest room. In case after case, the track has had to make good on tens of thousands of dollars.

However, the current law has also proven unfair to the employee. This law has forced The Woodlands to change the shortage policy so that employees wind up losing their jobs rather than having an opportunity to make good on shortages. The preferred shortage policy would be one which enables an employee to pay back a shortage or have a payment schedule developed before reporting to work as opposed to simply losing their job.

During the oral argument, in a recent court challenge before Judge J. William Mahoney it was evident that when this law was passed years ago, no one ever thought of the effects this would have if pari mutuel racing came to Kansas. The Kansas Racing Commission recognizes what a problem this has been and that is why they are sponsoring this legislation to rectify the problem. We support the Kansas Racing Commission in their effort and ask that you give Senate Bill No. 411 an affirmative vote.

Thank you and I would be happy to answer any questions you may have.

Sen. F. + S.A.
2-16-93
Att 3

HOUSE BILL No. 2128

By Committee on Federal and State Affairs

1-26

8 AN ACT concerning benefit funds for persons in state institutions
9 or in legal custody of the secretary of corrections; amending K.S.A.
10 1992 Supp. 75-3728e and repealing the existing section.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 1992 Supp. 75-3728e is hereby amended to
14 read as follows: 75-3728e. As used in this act, unless the context
15 otherwise requires:

16 (a) "Canteen" means a retail store which offers for sale items of
17 necessity, comfort and morale which are not otherwise accessible to
18 persons in the environment of a state institution.

19 (b) "Canteen fund" means the moneys and other assets used for
20 operation of a canteen.

21 (c) "Benefit fund" means the moneys and other assets available:

22 (1) To provide property, services ~~or~~, entertainment *or incentives* for
23 persons in a state institution *or in the legal custody of the secretary*
24 *of corrections; or (2) for other purposes that benefit such persons.*

25 (d) "Work therapy project" means a sheltered workshop or other
26 similar vocational training activity whether on or off campus at a
27 state institution.

28 (e) "Work therapy fund" means the moneys and other assets used
29 to operate a work therapy project for persons in a state institution.

30 Sec. 2. K.S.A. 1992 Supp. 75-3728e is hereby repealed.

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

for program and work participation and performance and
other activities related to offender management,

Sen. F. S. D.
3-16-93
Cott 3



DEPARTMENT OF CORRECTIONS

OFFICE OF THE SECRETARY

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Joan Finney
Governor

Gary Stotts
Secretary

TO: Senate Committee on Federal and State Affairs

FROM: Gary Stotts *Gary Stotts*
Secretary of Corrections

DATE: March 16, 1993

SUBJECT: House Bill 2129

This bill, which is requested by the department, would amend KSA 1992 Supp. 75-5211 (c). Specifically, the amendment would provide that the cash payment of \$100 would no longer be automatically made to each inmate paroled or released on conditional release status. This \$100 is known as "gate money" and is now paid to each inmate upon parole or conditional release, regardless of the circumstances of the particular inmate (except those who are in work release, private industry employment, or released to a detainer). An inmate who has financial resources receives the cash payment in the same manner as does an inmate who has no resources, and an inmate who is paroled and later revoked from that status, perhaps on more than one occasion, receives gate money each time the inmate is released from incarceration.

Sentencing guidelines will take effect July 1, 1993. Under guidelines, the maximum time an individual may be reincarcerated for violations of conditions of release is 90 days. With a post release supervision period of one or two years, multiple violations for one individual are possible. I do not believe it is good public policy to have a system where an individual could be released, collect the \$100, be immediately revoked, stay 90 days, be released and again collect the \$100. This cycle could be repeated throughout the one or two year post release supervision period under provisions of KSA 1992 Supp. 75-5211 (c).

In order to not make payments to inmates who have sufficient financial resources at the time of release and to address the situation resulting from enactment of sentencing guidelines, HB 2129 provides that the secretary of corrections would have the authority to establish guidelines to determine eligibility for payment of up to \$100 upon release from incarceration. The payment would not be automatic for all inmates released and could be in amounts less than \$100.

GS:CES/pa

Sen. F. & S. A.
2-16-93
Att 4

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

Your Committee on Federal and State Affairs

Recommends that House Bill No. 2128

"AN ACT concerning benefit funds for persons in state institutions or in legal custody of the secretary of corrections; amending K.S.A. 1992 Supp. 75-3728e and repealing the existing section."

Be amended:

On page 1, in line 22, by striking ", entertainment or incentives" and inserting "or entertainment"; in line 24, by striking "or (2)" and inserting "(2) to provide incentives for program and work participation and performance and other activities related to offender management for persons in the legal custody of the secretary of corrections; or (3)"; also in line 24, by striking "such persons" and inserting "persons in a state institution or in the legal custody of the secretary of corrections";

And the bill be passed as amended.

Chairperson

Sen. F. + S. Q.
3-16-93
Att 6