

Approved: 1/24/94
Date

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on January 21, 1994 in Room 123-S of the Capitol.

Members present: Senators Downey, Feleciano, Gooch, Kerr, Petty, Ranson, Reynolds, Salisbury, and Steffes

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Ann Donaldson, Legislative Research Department
Michael Heim, Legislative Research Department
Jim Wilson, Revisor of Statutes
Bob Nugent, Revisor of Statutes
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee: Gregory A. Jones, Wichita
Warren B. Schmidgall, Topeka

Others attending: See attached list

Confirmation hearings on appointments to Kansas Inc.

Gregory A. Jones, Wichita, Kansas, testified he is the President of the Wichita Federation of Teachers and is the nominee to fill the Kansas Inc. position assigned to Labor. His term would expire June 30, 1997. He stated one of the key issues currently facing Kansas Inc. is the school-to-work transition. The national Federation of Teachers has been calling for school-to-work programs for years, see attachment 1.

In answer to Committee questions, he responded Wichita uses a basic skills test that all students have to pass to be able to graduate. He explained the school-to-work program means paying attention to people not college bound. He also stated unions are the logical groups to help with apprenticeships. The school-to-work program should not be free labor. The students should be paid.

Warren B. Schmidgall, Topeka, Kansas, testified he is an Executive Vice President of Hill's Pet Nutrition and has been appointed to represent the basic industry sector on the Kansas Inc. Board of Directors. His term would expire June 30, 1997. He stated Hill's has had extraordinary success in implementing High Performance Work Systems in manufacturing and distribution. He said he brings an extensive track record of success in the private sector, an ability and desire to learn, a willingness to be involved, and a belief in the vision of Kansas Inc, see attachment 2.

Mr. Schmidgall responded the school-to-work concept is very sound. In the four states where Hill's has plants, Kansas is not behind or ahead insofar as education is concerned. Organizations are asking workers to use specific skills, improve production, and embark upon life-long learning. He stated he believed there should be a minority member on the Board of Kansas Inc. The growth and development of minority businesses is critical to Kansas.

Senator Ranson moved and Senator Feleciano seconded to adopt the minutes of January 20, 1994. The motion carried on a voice vote.

The Chairman adjourned the meeting at 9:00 a.m.

The next meeting is scheduled for January 24, 1994.

Wichita Federation of Teachers

Local 725, American Federation of Teachers, AFL-CIO



**TESTIMONY REGARDING CONFIRMATION OF
GREG JONES TO KANSAS INC. SENATE
COMMERCE COMMITTEE
JANUARY 21, 1994
BY GREG JONES**

Madam Chairman and Members of the Committee--

I appreciate the opportunity to present myself. I'm Greg Jones, President of the Wichita Federation of Teachers. I am the nominee to fill the Kansas Inc. position assigned to Labor.

I consider myself to be a quality candidate for the position --particularly at this time. One of the key issues currently facing Kansas Inc. is the school to work transition. I think it is very appropriate that the labor representation comes from the educational area. Our national organization has been calling for school to work programs for years. I feel they have great potential.

Another reason I feel I'm a quality candidate is my approach to labor/management relations. I recognize the value of a cooperative approach. In fact, at last years Mid-America (Kansas, Nebraska, Iowa, Missouri, Arkansas and Illinois) Labor/Management Conference, our school district and I delivered a workshop on labor/management cooperation in the public sector.

Through my work on the Sedgwick County Business/Education Success Team (BEST) I've met and worked with many of the county's leading business and community leaders. To a person, I believe they would testify to my good character and ability to both understand and bring together divergent viewpoints.

I also refuse to shrink from controversy. In fact, while not germane to this committee, I'm very proud that our union has voted to endorse qualified admissions to our regent's institutions. We've done this despite the likelihood of being assailed by other education groups. We did it because we feel it is right.

I'm a firm believer that a strong economy is great for workers. The opportunity to work to help bring about a diverse economy geared to produce high wage jobs for Kansans is particularly exciting.

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As a lifelong Kansan, I'm very proud of our state and its people. It would be an honor to work toward improving Kansas through Kansas Inc. I ask for your confirmation.

Thank you.

Greg Jones
President, Wichita Federation of Teachers

BACKGROUND INFORMATION
GREG JONES
NOMINEE TO KANSAS INC.

PERSONAL -

Born September 3, 1959
Life-Long Wichitan
Married 10 Years to Marsha Montague
Three children; Bryan - 4, Jennifer - 2, Steven - 1

EDUCATION -

High School - Wichita West, Class of 1977
Wichita State University - B.S. Secondary Education
Major - History, Minor - Political Science

EMPLOYMENT -

June 1989 - Present - President Wichita Federation
of Teachers

September 1982 - June 1989 - Government and History
Teacher - Wichita High School Northwest, also coached
basketball, cross country and track, served as Social
Studies Department Chair last three years

Summer of 1981 and 1982 - Land Surveyor for The
Baughman Co.

Summer of 1979 and 1980 - Production Line Worker -
The Coleman Co.

Summer of 1977 and 1978 - Cook - Orange Julius

COMMITTEES -

The Business/Education Success Team of The Wichita/
Sedgwick County Partnership for Growth (1989 - Present)

Executive Board - Kansas AFL-CIO

Executive Board - Wichita/Hutchinson Labor Federation
(1989 - Present)

Executive Board - Kansas School for Effective Learning
(1989 - Present)

Selection Committee - National Teachers Hall of Fame (1993)

Executive Board - United Way of the Plains

Consortium Member - Project Freedom

WARREN B. SCHMIDGALL

I have been appointed by Governor Finney to represent the basic industry sector on the Kansas, Inc. Board of Directors, and I appear today seeking your confirmation of that appointment. I have lived in Topeka since 1982, have been married to my wife of fifteen years, Beth, and have four children. I am a native of Illinois, and have received graduate and undergraduate degrees in accounting and business from Illinois State University. I am a CPA.

I am employed by Hill's Pet Nutrition, located in Topeka, as Executive Vice President. My primary responsibilities in this position are customer service, manufacturing, distribution, information services, and a wholly-owned subsidiary, Professionals' Software, Inc., located in Effingham, Illinois. Professionals' Software, Inc. provides practice management computer systems to veterinary practices around the country.

Hill's Pet Nutrition is an \$800 million dollar company headquartered in Topeka. Hill's has pioneered the development of therapeutic, nutritional pet foods which are marketed exclusively through veterinary clinics, and other pet professionals. We are one of the more globally successful companies in Kansas, with export revenues of approximately \$200 million. We have four manufacturing locations: Richmond, Indiana; Bowling Green, Kentucky; Los Angeles; and here in Topeka. We have approximately 2000 employees, with about 800 in Kansas. Hill's is a high growth company - ten years ago sales were \$65 million, and we had about 350 employees.

Prior to joining Hill's as Chief Financial Officer in 1982, I held positions for Riviana Foods in Houston, Texas; Pepper Construction Company International in Riyadh, Saudi Arabia; and Touche Ross & Company in Chicago, Illinois.

I am honored to appear before you today, and honored to be an appointee to Kansas, Inc. I believe I can make a significant contribution, and offer the following as evidence of the knowledge, skills, and experience that I will bring to Kansas, Inc.

One of the strategic objectives of the Kansas, Inc. vision is that **"existing Kansas firms are high performance work organizations."** High Performance Work Systems are characterized principally by the empowerment of the work force to make broad on-the-spot quality and service decisions. It means the traditional roles of management and labor begin to blur, with labor taking on

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many of the traditional responsibilities of management such as problem-solving or process improvement. It means flatter organization structures and a reliance on information technology to disseminate information to front-line employees. It is dependent on a highly-skilled and continuously-learning workforce.

Under my leadership, Hill's has had extraordinary success in implementing High Performance Work Systems in our manufacturing and distribution organizations. We have seen major productivity gains over the past three years, and our success has been widely benchmarked and acknowledged. For example, over 1000 individuals have been through our manufacturing plants over the past two years, from as far away as Japan, to view our progress. Additionally, articles about our success with High Performance Work Systems have been in a variety of local and national publications, including the Wall Street Journal.

High Performance Work Systems require nothing short of a paradigm shift of the traditional management mindset, a shift that I believe is essential in a highly competitive global economy.

Another of the strategic objectives is that **"Kansas businesses are successful exporters in the international marketplace."** I have lived overseas for two and one-half years, and have served as the International Controller of Riviana Foods, which operates businesses in nine foreign countries. Currently, as the senior manufacturing executive of Hill's, I play a key role in supporting the international component of our business. Hill's currently exports to 36 countries, with primary overseas markets being Japan and Europe. A major effort is now underway to penetrate Latin American markets. The success of our export business can be measured by our growth, which has exceeded 25% over each of the last seven years.

A third strategic objective is that **"Kansas' service sector firms are strong and successful."** As the Hill's executive responsible for a successful service subsidiary with revenues of \$16 million (Professionals' Software, Inc.), I believe I can also bring expertise to this objective.

Finally, it is obvious to all of us that we live in a world of rapid and accelerating change - change enabled principally by information and communication technology. The primary manifestations of this change are a consumer-driven, fiercely competitive, and globally-competitive marketplace. For Kansas companies and Kansas people to successfully compete in such a changing

Warren B. Schmidgall

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world, it is imperative that public and private institutions partner to create a world class infrastructure to support economic growth, and that we be willing to constantly change and improve. I believe my experience at Hill's has helped me understand what it takes to be competitive, and what it takes to drive change.

I do not bring to Kansas, Inc. any expertise in the public sector, but I bring an extensive track record of success in the private sector, an ability and desire to learn, a willingness to be involved, and a belief in the vision of Kansas, Inc. The Kansas, Inc. vision includes a mission, guiding principles, goals, and strategies to improve our competitiveness. The vision is sound; implementation will be hard. It will require a focus on education and technology. It will require a commitment to partnership, a commitment to change, and a commitment to excellence. Any less than this will make it increasingly difficult for us to compete in the future. I would like very much to be a part of the Kansas, Inc. effort. Although I am not a native Kansan, I am proud to be a Kansan nevertheless, and want to do my part to make Kansas an even better place to live. I thank you very much for this opportunity.