

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Tuesday, January 27, 2015, 112-N of the Capitol.

All members were present

Committee staff present:

Andy Chiamopoulos, Legislative Research Department
J.G. Scott, Legislative Research Department
Dylan Dear, Legislative Research Department
Nobuko Folmsbee, Office of Revisor of Statutes
Kathy Holscher, Kansas Legislative Committee Assistant
Jill Wolters, Office of Revisor of Statutes
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

Scott Frank, Legislative Post Audit

Others in attendance:

[See Attached List](#)

Opening Remarks

Chairman Ryckman opened the meeting at 9:00 a.m. He stated that copies have been distributed by the Legislative Research Department regarding the following: K-12 Auditing and Budget Workshop Response to Questions ([Attachment 1](#)) ; response to Questions Regarding Cash Balances and Recent Funding ([Attachment 2](#)) ; and information on At-Risk Programming in Kansas School Districts ([Attachment 3](#)) .

Introduction of Proposed Legislation

Representative Henry made a motion to introduce legislation regarding work place bullying, abuse and harassment of State employees. Representative Schwartz seconded the motion. Motion carried.

Representative Henry made a motion to introduce legislation regarding taxpayer empowerment, accountability and transparency, and State Contracting Act. Representative Finney seconded the motion. Motion carried.

Representative Carlin made a motion to introduce legislation regarding freezing credit reports for individuals under 18 years of age, 15rs0021 Representative Henry seconded the motion. Motion carried.

Representative John Alcala made a motion to introduce legislation regarding 15rs0521 an additional discretionary day for state employees. Representative Ballard seconded. Motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:00 am on Tuesday, January 27, 2015, 112-N of the Capitol.

Hearing on: HB2005 — Office of information technology services; for budgetary purposes, such office shall be considered a separate agency.

Chairman Ryckman opened the hearing on **HB 2005**.

Jill Wolters, Office of Revisor of Statutes, reviewed the bill brief ([Attachment 4](#)) . This bill would create a new section of law, requiring the Office of Information Technology Services (OITS) to be considered a separate agency, for budgetary purposes.

Scott Frank, Legislative Post Auditor, Legislative Division of Post Audit, presented neutral testimony ([Attachment 5](#)) . He reviewed OITS background information, and stated that the agency is fully funded though fees paid by state agencies that use OITS' services. As directed by the Legislative Post Audit Committee, it was determined that the rates OITS charged for services that appeared excessive, and may not have reflected actual costs that were set to ensure budget and funding stability. The bill would address oversight issues, and allow the legislature to place limits on the agency's expenditures.

Mr. Frank responded to questions from committee members. He stated that the bill does not include procedural changes for information technology enhancements, and that outside service providers may be necessary if services are not provided in-house. If passed, the effective date would be July 1, 2015 and would create a formal policy for oversight and revenue stream control.

Discussion followed by committee members regarding the effective date.

Chairman Ryckman closed the hearing on **HB 2005**.

Chairman Ryckman opened discussion with possible action on **HB 2005**.

*Representative Barker made a motion to suspend the rule pursuant to House Rules 1308a and work **HB 2005**. The motion was seconded by Representative Schwartz.*

Discussion followed by committee members regarding the required 2/3 vote by committee members for action.

Representative Barker renewed the motion. Motion carried.

*Representative Schwartz made a motion to move **HB 2005** favorable for passage. Representative Hoffman seconded the motion.*

Discussion followed by committee members regarding the effective date.

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J.G. Scott, Legislative Research Department, responded that if there were no amendments, the effective date would be July 1, 2015. To comply with the statutes, Department of Administration would need to submit a budget for FY 2016. Chairman Ryckman added that according to Shawn Sullivan, Director, Department of Administration, there would be no fiscal impact on the budget with the passage of the bill.

Representative Schwartz renewed the motion. Motion carried.

Hearing on: HB2010 — Conducting information technology audits.

Chairman Ryckman opened the hearing on **HB 2010**.

Jill Wolters, Revisor of Statutes, provided an overview of the bill as related to Information Technology audits ([Attachment 6](#)), and Balloon Amendment ([Attachment 7](#)). The bill creates a new section of law, which allows the Legislative Division of Post Audit to conduct information technology audits as directed by the legislative post audit committee, and allows the legislative post auditor to provide written reports, outside of regularly scheduled meetings, if a project is at risk to meet key milestones, or if the project is not efficiently and effectively implemented as was its original stated purpose and goal.

Scott Frank, Legislative Post Auditor, Legislative Division of Post Audit, provided testimony as a proponent of the bill ([Attachment 8](#)). The bill includes amendments which create a new form of information technology (IT) audit and systems implementation audits. Currently security and data mining audits are conducted, the IT projects that are in process and monitoring those projects would be included in the bill. A review of obstacles with various IT projects followed.

Scott Frank responded to questions from committee members regarding staffing needs and the certification process for auditors. The bill would also identify problems early on to help address needs to meet project goals. It was noted that the Kansas National Guard offers, free of service, IT assistance through the Red Team. Outside vendors for contractual services and security measures was discussed.

Chairman Ryckman closed the hearing on **HB 2010**.

Representative Barker made a motion to waive the rule pursuant to House Rule 1308a. and to begin work on HB 2010. Representative Schwartz seconded the motion. Motion carried.

Representative DeGraaf made a motion for favorable passage of HB 2010 as amended (See attachment 7). Representative Grosserode seconded the motion. Motion carried.

Chairman Ryckman reviewed the agenda for the next committee meeting.

Meeting adjourned: 10:05 a.m.

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Possible action on bills previously heard

No minutes information to display