

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Tuesday, January 12, 2016, 112-N of the Capitol.

All members were present

Committee staff present:

Kathy Holscher, Kansas Legislative Committee Assistant
David Fye, Legislative Research Department
Jennifer Ouellette, Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Possible bill introductions

Chairman Ryckman called the meeting to order and welcomed committee members and guests. There were no bill introductions.

He stated that copies of the Committee Rules ([Attachment 1](#)) and Conferees Rules ([Attachment 2](#)) have been distributed. It was noted that there were no revisions suggested by the committee. He also stated that pursuant to K.S.A. Supp. 12-5256, reports have been distributed to committee members from the Emergency Medical Services ([Attachment 3](#)), Kansas Housing Resources Corporation([Attachment 4](#)), and Technical Education Courses([Attachment 5](#)) .

Chairman Ryckman made a motion to introduce legislation regarding the Judicial Branch..
Representative Schwartz seconded the motion.

Discussion followed, and it was noted that the proposed legislation would involve funding the courts.

The motion was renewed. Motion carried.

CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:00 am on Tuesday, January 12, 2016 in Room 112-N of the Capitol.

Update on:

JG Scott, Legislative Research Department, provided an overview on the Legislative Budget Committee (LBC) activity as related to the Government Efficiency Study. Upon completion of the interview and selection process, Alvarez and Marsal was selected to conduct the study, with an approved appropriation of \$3 million and their contract was for \$2.6 million. The request for proposal consisted of the following major objectives: budget analysis, trends, state expenditures and benchmarking; efficiencies and cost savings; and best practices for the budget process. The final report is due on February 12, 2016, he noted. This report will include, but is not limited to the following: legislative, statutory and regulatory requirements, implementation requirements and time frame. All LBC meetings were publicly held in full committee, Mr. Scott added.

Chairman Ryckman acknowledged LBC and staff members for their committee work during the interim. He introduced staff from Alvarez and Marsal.

Melissa Glynn, Managing Director and John (J.W.) Rust, Senior Director, Alvarez and Marsal presented the Interim Report on the Efficiency Review and Summary of Recommendations ([Attachment 6](#)) .

Melissa Glynn reviewed the collaborative efforts of staff and state agencies, and acknowledge the support of all departments and their staff involved in the process. The full report is located on the Kansas Legislative Research Department website, she stated. As previously noted, the implementation plan will be included in the Phase 2 Report on February 12, 2016. Approximately 105 recommendations were identified and reflect a non-federal state fund savings of \$2 billion over the next five years. A majority of the recommendations are around service delivery and practical implementation, some of which require legislative action or policy changes, as well as preliminary steps for implementation, she added.

J.W. Rust provided a summary of the recommendations, which included but was not limited to the following: a coordinated process for obtaining bids; purchases and administering policies; a centralized process for procurement of bids and services; and implementing a performance based budget.

A review of departmental recommendations followed by Melissa Glynn and J.W. Rust, which included but not limited to the following: consolidating and co-locating offices; increased sponsorship; revenue opportunities from the sale of underutilized or non-essential equipment; identified savings and efficiencies; consolidation of support services and procurement; payment error rate measurement; fraud, waste and abuse; federal funding opportunities; improved contract management; underutilized production facilities; and the need to fill vacant auditor positions and staff reorganization. It was noted that during the upcoming month the road map for implementation will be developed which includes project matrix, project work plans and estimated project budgets.

Melissa Glynn and J.W. Rust responded to questions from committee members. It was noted that the collaborative recommendations are realistic and achievable. On-going oversight was discussed, and

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 12, 2016 in Room 112-N of the Capitol.

legislative issues that may be needed to address revenue or budget items. The need to increase the utilization of the correctional industries was emphasized for additional state revenues, as well as reintegration of inmates in to communities. Justin Stowe, Legislative Division of Post Audit, was appointed as the legislative liaison, with responsibilities that include coordination and data collection. A review of the Governor's Grants Office followed. This program works as a pass through for federal funding primarily around crime prevention programs. A new program was recommended as the Governor's Grant program would expand federal match dollars for localities and school districts. A number of consolidated opportunities were identified, i.e., Office of Risk Management, leasing operations, print services and fleet within the Department of Administration. It was noted that implementation would include a Project Management Office, which would provide oversight and procurement. A review of cash flow improvements followed. As requested, additional information will be forthcoming regarding risk management, Board of Regents insurance contracts, recommendations that may have a savings and that were rejected, other recommendations that were not included in the report and available federal funds. Discussion followed regarding filling vacant FTE positions within the Department of Revenue. A review of the 10 states used as benchmarks are contained in the analysis section of the report followed.

Chairman Ryckman acknowledged the work conducted to date by Alvarez and Marsal staff members. Work this session will begin with recommendations worked in the appropriate budget committee with the budget committee recommendations presented to the Appropriations Committee. A review of this week's agenda followed.

Meeting adjourned at: 10:26 a.m.