

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Wednesday, February 17, 2016, 112-N of the Capitol.

All members were present except:

Representative John Barker – Excused
Representative Mark Kahrs – Excused

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](#)

Chairman Ryckman called the meeting to order and reviewed the agenda.

Representative Highland made a motion to approve the minutes from the February 11, 2015 committee meeting. Representative Proehl seconded the motion. Motion carried.

Presentation on: Department of Agriculture - Secretary, Jackie McClaskey

Jackie McClaskey, Secretary, Department of Agriculture, stated that at the suggestion of Representative Hoffman and Senator Powell in the 2015 budget provisos, the agency volunteered to develop an example of a zero based budget for the Department of Agriculture for FY 2018 ([Attachment 1](#)). She stated that several months ago, the department's leadership began assessing program goals and core functions. The process for developing a zero based budgeting included the initial assessment, development of decision packages, benefits and consequences determined, cost calculated, priority ranking of the decision packages, a review by the executive team with the engagement of the stakeholder and legislative. A review of the components of a decision package included the package name, statutory requirements, the purpose, how this would be accomplished, identify probable effect and specific consequences and priority ranking of the packages.

A review of the Water Appropriations Decision Package sample followed (see page 35 of Attachment 1). For the purpose of this exercise decision packages were listed in priority order with information

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regarding legislative action, purpose and expected benefits, how this will be accomplished and consequence of not funding the decision package. A review of the sample budget proposal as related to the development of each decision package (see page 37 of Attachment 1) followed. This information reflects agency priorities, responsibilities and affiliated costs. She stated that sample summary of the department's total agency budget was located on page 47 (See attachment 1). It was noted that when preparing the sample documents, the department did not reference the current budget. The sample budget was close in comparison to the current budget, which reflects a 2.2 percent increase for FY 2016 and a 5 percent increase for FY 2017. She added that some program costs were higher through this exercise, while others costs were lower. In preparation for the FY 2018 budget, this information will helpful, she added. Secretary McClaskey acknowledged staff members who were instrumental in preparing the project information.

Chairman Ryckman and committee members thanked Secretary McClaskey for the work that she and fellow staff members did on this project.

Secretary McClaskey responded to questions from committee members. She stated that the budget process involves the executive teams and leadership reviewing line-by-line budget items to identify efficiencies. An example of the realized savings of approximately \$65,000 per year was identified by consolidation of the purchase of supplies. She emphasized the importance of preparing a budget that is easy to understand, that is transparent, and easy to defend. Meetings were scheduled with field staff to review and discuss program priorities based on a funding allocations that are spent efficiently and effectively. A review of the time frame for submitting budgets followed. It was noted that the two-year budgeting process works well. Due to the time involved, a zero based budget process every four years, which could be amended, was suggested. In response to share service options, she stated that IT staff was reduced and maintenance, location of the server, and help desk needs are now partnered with Kansas State University. These savings was reallocated for such projects as on-line food safety licensing, Secretary McClaskey added. Other areas where savings would be realized are those that are required by statute, and that may no longer be necessary.

Chairman Ryckman thanked Secretary McClaskey for the information presented to the committee and the effectiveness of this project.

Presentation on: Information Technology and Governor's Grants - Alvarez and Marsal

J.W. Rust, Alvarez and Marsal, reviewed the information provided by the Department of Agriculture. He stated that the department started with a zero based budget process but took steps forward to a performance based budget, which ties decision based packages to a level of service provided. He commended the staff for their viable application and recommendations.

J.W. Rust presented recommendations for Information and Technology (IT) and the New Governor's Grants Office ([Attachment 2](#)) . Primarily recommendations are focused on consolidation for a more consistent platform, he stated. Outsourcing opportunities would allow the state to keep up with rapid

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technical changes and flexibility while driving costs down. The budgeting process for fee for services and centralization process for the purchase of services by agencies followed.

J.W. Rust responded to questions from committee members regarding a centralized process for IT that would look at outsourcing and efficiencies. Currently the consolidation of shared services is being reviewed. Discussion followed regarding software contracts and service level requirements. In order to accelerate the consolidation efforts, steps are needed to identify responsibilities of the function, the budget and the resources to accomplish the consolidation. He added the importance of maintaining the current tracking of IT cost and services by agency, while the staff and their responsibilities would be under an IT budget. The purchase of software that has been on the market and a proven product is the recommended direction. The IT Excipo group, CITO identify the core basic services are in place and done efficiently, understand the agency's need, what's happening now and how to execute the agency's need.

J.W. Rust reviewed the recommendations for the new Governor's Grants Office (See attachment 2). He reviewed the State of Maryland compliance issues and need for the development of a Governor's Grants Office. The creation of a federal funds office would enable coordinated, prioritized, and compliance-driven oversight for both state and local agencies.

Chairman Ryckman thanked Mr. Rust and the team of Alvarez and Marsal for the explanation of their recommendations.

Meeting adjourned at: 10:27 a.m.