

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Tuesday, January 27, 2015, 548-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes  
Daniel Yoza, Office of Revisor of Statutes  
David Wiese, Office of Revisor of Statutes  
J G Scott, Legislative Research  
Justin Carroll, Legislative Research  
Ben Wilhelm, Legislative Research  
Dylan Dear, Legislative Research  
Bobbi Mariani, Legislative Research  
Shirley Morrow, Legislative Research  
Debbie Luper, Chief of Staff  
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Scott Frank, Post Auditor, Legislative Post Audit  
Joe Mandala, Chief Information Officer, Kansas Bureau of Investigation

Others in attendance:

[See Attached List](#)

### **Bill introductions**

*Chairperson Masterson introduced proposed legislation revising the original Governor's Rescission Bill. Senator Denning seconded the motion and the motion carried on a voice vote.*

### **Hearing on: SB4 — Office of information technology services; for budgetary purposes, such office shall be considered a separate agency.**

The Chairperson opened the hearing on **SB4**, and called upon Jill Wolters, First Assistant Revisor of Statutes, to explain **SB4**, which would establish the Office of Information Technology (OITS) as a separate State agency for budgetary purposes ([Attachment 1](#)).

### **NEUTRAL:**

Scott Frank, Legislative Post Auditor, briefed the committee as a neutral party, and explained the background and oversight of OITS. He said the changes to make OTIS a separate entity is only for budgetary purposes ([Attachment 2](#)).

### **PROPONENT:**

There were no proponents to come before the committee.

## CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Tuesday, January 27, 2015, 548-S of the Capitol.

### **OPPONENT:**

There were no opponents to come before the committee.

Senator Kelly asked if OTIS carries over any funds from year to year. Mr Frank responded that even though they do carryover funds, they are not allowed to make a profit.

Senator Francisco questioned the timing of this bill, since we now budget for two years. If this bill passes, she asked how that would then affect the budget for this new agency. Mr Frank said if the bill passes and becomes effective upon publication in the Statute Book, it would take effect on July 1, 2015. The Office of Information Technology Services would have to submit a revised budget of their own for the time remaining for this budgetary period.

After all questions were answered, Chairperson Masterson closed the hearing on **SB4**.

### **Hearing on: SB7 — Conducting information technology audits.**

The Chairperson opened the hearing on **SB7**, and called upon Jill Wolters, First Assistant Revisor of Statutes, to brief the committee concerning the contents of the bill which would create a new section of law that allows Legislative Post Audit to conduct information technology audits of listed entities and would allow the legislative post auditor to provide a written report outside of a regularly scheduled meeting when findings deem a report is necessary ([Attachment 3](#)).

Ms Wolters then distributed a copy of a balloon amendment that adds the language "any state agency or any" before the word "entity" in Lines 10, 12, and 17 of the bill ([Attachment 4](#)).

Senator Arpke asked if this balloon amendment could affect the county agencies that collect tag fees. He also asked if they would be included in this new audit procedure since they share a database with the State. Ms Wolters said if this bill is passed, it could include the county agencies.

### **PROPOSERS:**

Scott Frank, Legislative Post Auditor, appeared before the committee as a proponent for **SB7**. He said the bill amends the Legislative Post Audit Act to create a new form of IT audit -- systems implementation audits. He explained how audits are now performed, the provisions of **SB7**, and how the bill would be implemented if it passes. He explained how the system now works and how it would work if **SB7** becomes law ([Attachment 5](#)).

### **OPPONENTS:**

There were no opponents to come before the committee.

Senator Tyson asked Mr Frank to explain the screening process the State uses when they are recruiting audit personnel. Mr Frank said they use a three tier process:

## CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Tuesday, January 27, 2015, 548-S of the Capitol.

- FBI check;
- Fingerprinting through the US Department of Justice;
- Subscription to Regis Consortium and personnel checks are run through them.

Senator Fitzgerald asked if **SB7** would expand the post audit scope in any way and Mr Frank said that it would not change the scope of the post audit in any way.

### **NEUTRAL:**

Joe Mandala, Chief of Information Officer, Kansas Bureau of Investigation asked to speak before the committee as a neutral party and said he supported the initial Legislative Post Audit bill. He said the bill as filed originally, did not apply to State agencies such as his. Since an amendment was added, he said he did not have time prepare written testimony. He feels there are other State agencies that did not come forward because they felt the bill did not apply to them either. Mr Mandala asked to have time to respond to the bill because he said their biggest concern with this bill is that FBI information is sensitive, and in many cases, it is highly classified and a confidentiality breach could have catastrophic consequences on individuals, organizations or businesses. And sometimes we are not allowed by statute or other regulations to release this kind of information. No written testimony was submitted. After a period for questions and answers, Chairperson Masterson closed the hearing on **SB7**.

### **Final action on: SB4 — Office of information technology services; for budgetary purposes, such office shall be considered a separate agency.**

The Chairperson asked the committee if there was any objection to taking final action on **SB4**. Since there were no objections, the Chairperson asked for a motion,

*Senator Kelly made a motion for **SB4** to be passed. Senator Arpke seconded the motion and the motion carried on a voice vote.*

### **Final action on: SB7 — Conducting information technology audits.**

Chairperson Masterson asked the committee if there was any objection to taking action on **SB7**. Senator Kelly stated that she objected to acting on SB7 until the various agencies have time to examine how the balloon amendment will affect them. Consequently, final action was delayed on this bill.

The next meeting is scheduled for Tuesday, January 28, 2015, at 10:30 am, in Room 548-S at the Capitol.

The Chairperson adjourned the meeting at 11:25 am.