

M I N U T E S

LEGISLATIVE BUDGET COMMITTEE

June 10, 1976

The Legislative Budget Committee convened at 10:00 a.m. on June 10, 1976, in Room 510 of the State House. Speaker McGill presided and Representatives Bunten, Carlin, and Lady were present. Senator Doyen arrived toward the end of the morning session and Senator Steineger attended the afternoon session. Staff members present all or part of the time were Dr. Drury, R. W. Ryan, Marlin Rein, Fred Carman, Arden Ensley, Jim Wilson, and Ed Ahrens.

Morning Session

Minutes of Last Meeting

The minutes of the meeting held on May 27 were approved without change.

Proposal No. 54 - State Personnel System

Conferees were Keith Weltmer, Secretary of Administration, and E. A. Culbertson of the Division of the Budget. Mr. Weltmer distributed and discussed a copy of his recommendations for a study of the state personnel system, including a budget of \$65,000 therefor. Of that amount, \$10,000 was requested to be provided by the Legislative Coordinating Council from moneys subject to its control. This budget was prepared to finance the study for a six-month period ending in December 1976.

The regular staff of the study group would consist of a director, whose services would be obtained under an Intergovernmental Personnel Act grant; two full-time and two part-time researchers; and a secretary. That staff would be supplemented on a part-time basis by certain personnel of the Division of Planning and Research, Division of the Budget, and Personnel Division, and possibly by students enrolled in the Capitol Complex Center of the University of Kansas.

Mr. Weltmer suggested that monthly meetings be held with the Committee in order to keep it informed as to the progress of the study and to give the Committee an opportunity to give the executive staff guidance on policy matters. A final report and recommendations would be presented to the Committee in December. Representative Lady suggested that the Committee and executive staff meet together to hear the views of personnel officers of selected state agencies. Mr. Weltmer said such a meeting would be arranged.

At the afternoon session, the Committee adopted a motion requesting that the Legislative Coordinating Council (1) amend the "subject of study" under Proposal 54 to make it clear that the proposal is a legislative study and that the Committee will make its own recommendations thereon prior to the 1977 session of the legislature and (2) provide \$10,000 to help finance the study.

Proposal No. 53 - Contracting for
State Services

The Secretary of Administration reported that the state is contracting for janitorial services in buildings located at 5th and Kansas, 535 Kansas, and 801 Harrison in Topeka. Such arrangements have not proven satisfactory, one reason being that the contracts do not spell out exactly what is to be done by the contractor. He also said that the Department of Administration is exploring contracting for management of the computation center and for delivery of inter-office mail in Topeka.

In addition, Speaker McGill reviewed Representative Cooper's interest during the 1976 session of the possibility of contracting for certain services at the KU Medical Center.

Mr. Ensley said that, while there is no legal problem involved in contracting for janitorial services by the division of architectural services, there are some basic legal and policy questions that would have to be considered carefully if contracting with private firms is proposed for a variety of other types of services. The staff has not had time to analyze such questions fully.

The Committee asked Mr. Weltmer to report at a subsequent meeting on any developments relating to contracting for services and instructed the staff to work on the legal and policy matters involved in Proposal 53.

Proposal No. 47 - State General Fund

The staff presented written reports on state general fund receipts through May of FY 1976 and on Kansas personal income in calendar year 1975.

Afternoon Session

Proposal No. 49 - Local Government
Investment Authority

Mr. Ryan reviewed the background of Proposal 49, pointing out that it originated from a letter to Senator Doyen from the Association of Community Mental Health Centers. Such Centers, and other types of local units which do not themselves have authority to levy taxes, have no legal authority to invest their idle funds under the general investment law as amended by 1976 SB 851.

Mr. Ensley distributed and discussed a memorandum which lists numerous statutes under five broad headings:

- I. Examples of local units without general authority to invest their idle funds because they have no power to levy taxes.
- II. Local units authorized to invest funds generally by statutes other than the general investment law, *i.e.*, units to which that law (12-1675) does not apply.
- III. Local units subject to the general investment law but which have additional or alternate authority to invest idle or unidentified funds under other statutes.
- IV. Local entities not under the general investment law but which by law may invest specified or deducted funds.
- V. Local units subject to the general law which have additional authority to invest specified or dedicated funds.

Mr. Ensley noted that, aside from the general law, there is no uniformity in or pattern to the other investment statutes, and that the Committee may want to consider the types of investment authorized by such statutes. One of them, for example, simply authorizes investment in "securities."

Technically, the Committee's charge under Proposal 49 relates to I, above, local units without power to invest because they have no authority to levy taxes. However, the Committee decided that it also should consider the statutes listed under II through V. The staff was requested to prepare alternatives designed to provide some uniformity with respect to those statutes and to call attention to statutory language which should be revised or deleted.

Architectural Services Advisory Committee

The chairman said that the members of the subcommittee to review change orders of \$25,000 or more would remain the same as in 1975, namely, Senators Doyen and Steineger and Speaker McGill. No change order of \$25,000 or more was received from the Division of Architectural Services.

Plans for Next Meeting

The Committee's next meeting is scheduled on July 1. Among other items, the agenda should include a progress report from the executive staff on the personnel study, a conference with the Secretary of Revenue on the Interstate Motor Fuel Use Act, and a staff report on Proposal 49.

Meetings also were scheduled on August 4 and 5. The meeting on August 4 will be devoted to a hearing before the executive staff and the Committee with personnel officers of certain state agencies re the personnel study. On August 5, the Committee will consider other proposals, including No. 50 - Legal Defense of Public Employees.

Prepared by Richard Ryan

Approved by Committee on

8-5-76

(date)

State of Kansas

CHAIRMAN
REPRESENTATIVE DUANE S. MCGILL,
SPEAKER OF THE HOUSE
VICE-CHAIRMAN
ROSS O. DOYEN
PRESIDENT OF THE SENATE
ROOM 511-S, STATEHOUSE
TOPEKA, KANSAS 66612
PHONE: (913) 296-2391



SENATORS
JOSEPH C. HARDER,
MAJORITY LEADER
JACK STEINEGER,
MINORITY LEADER
REPRESENTATIVES
JIM MAAG,
SPEAKER PRO TEM
JOHN F. HAYES,
MAJORITY LEADER
JOHN CARLIN,
MINORITY LEADER

Legislative Coordinating Council

June 21, 1976

Senator Ross O. Doyen, Chairman
Legislative Budget Committee
434 W. 9th
Concordia, Kansas 66901

Dear Senator Doyen:

At its meeting on June 11, 1976, the Legislative Coordinating Council amended Proposal 54 to indicate that legislative study was contemplated in conjunction with the report and recommendations of the executive branch; also that a reporting date of January 1, 1977, instead of December 1, 1976 would be applicable to this study. The amended proposal reads as follows:

Proposal No. 54

Short Title: State Personnel System

Subject of Study: Provide general policy guidelines to an executive department staff in the conduct of a study of the state personnel system, monitor such study, receive a report and recommendations thereon from the executive staff not later than January 1, 1977, and thereafter but prior to the commencement of the 1977 regular session of the legislature, the Legislative Budget Committee shall make a report and recommendations upon the report of the executive study supplemented by such additional information as the Legislative Budget Committee may choose to consider.

Assigned to: Legislative Budget

Sincerely,

A handwritten signature in cursive script that reads "William R. Bachman".

William R. Bachman, Director
Legislative Administrative Services

WRB:jc