

## MINUTES

## LEGISLATIVE BUDGET COMMITTEE

November 2-3, 1977November 2

The Legislative Budget Committee convened at 9:00 a.m. on November 2, 1977 in Room 519 of the State House. All members were present except Senator Winter. Staff members in attendance all or part of the time were Richard Ryan and Marlin Rein of the Legislative Research Department; Fred Carman, Arden Ensley and Norman Furse of the Revisor of Statutes Office; and James Bibb, Director of the Division of the Budget. John Wilhm, Administrative Assistant to the Speaker, also attended.

Minutes of Last Meeting

The minutes of the meeting held on October 6, 1977 were approved without change.

Proposal No. 51 - Contracting for Computer Services

Conferees were Secretary Weltmer of the Department of Administration, Secretary Turner of the Department of Transportation; Secretary Kalb, Department of Revenue; Secretary Harder, Department of Social and Rehabilitation Services; Secretary McCain, Department of Human Resources; Virgil Basgall, Division of Computer Services; Jack Crocker, Special Assistant to the Governor to implement the recommendations of the Governor's Task Force on Effective Management; Dr. Richard Mann of the University of Kansas; Jim James, State Judicial Administration; and Dale Dennis, State Department of Education.

In his opening remarks Secretary Weltmer said that Kansas has arrived at the crossroads regarding computer services for state agencies. The state could go on as now, but that would not provide the services needed. Or the state could upgrade its equipment but this would not do the job either. Or the state could develop a management system that would accomplish the objectives of doing the job that should be done. The latter approach was the one chosen by the Data Processing Policy and Review Board, and its recommendations to carry out those objectives were presented to the Committee in a document entitled "Final Draft - Recommendations to the Governor by the Computer Policy Advisory Group," October 26, 1977. (A copy of that document is in the Committee notebook.)

Secretary Turner presented several slides designed to illustrate the model for a comprehensive data-based management system. This system was based on a plan developed by the Department of Transportation last year and would be expanded to cover state government generally under the Board's recommendations.

Secretary Weltmer then discussed the Final Draft, referred to above. He noted that the recommendation to create a permanent Informational Systems Policy Advisory Board could be created either by executive order or by law. To implement the recommendations contained in the Final Draft, it was suggested that 1977 S.B. 465 be re-drafted or a new bill prepared. If the decision is made to authorize contracting for facilities management, Secretary Weltmer recommended that such contracting be accomplished by negotiation rather than through the bidding process. He further noted that the recommendations contained in the Final Draft departed somewhat from the proposals of the Governor's Task Force, although the latter were used as a point of departure.

Mr. Crocker discussed the objectives and goals of the Task Force concerning computer services, a copy of which was given to the Committee at a previous meeting. He handed out a chart showing the present organization for providing computer services, to state agencies and the proposed organization recommended in the Final Draft. The proposal emphasizes coordination of services and establishment of priorities for providing services. Establishing priorities are very important, Mr. Crocker said, because a central computer facility cannot do everything all agencies might like to have done. He said the Governor's Task Force is in agreement with the recommendations in the Final Draft. It was his suggestion that it is more prudent to implement those recommendations "in-house" at this time rather than contracting for facilities management. However, the state might want to contract for a mechanical delivery system at some time in the future.

In introducing Dr. Mann, Secretary Weltmer said the Policy and Review Board was faced with the question of computer hardware needs to implement the program recommendation in the Final Draft. Dr. Mann emphasized the importance of having compatible computer hardware. He said there is a possibility of obtaining equipment from different vendors that would be compatible because the market is extremely competitive at the present time. The price for computer equipment has been declining rapidly, although costs have been rising for qualified personnel who are essential to manage and operate a good system. Dr. Mann expressed a personal opinion that the state should not contract for a complete computer services system because of the real possibility of losing accountability. It might be feasible to contract for hardware but even this type of an arrangement would raise some serious questions.

Mr. Basgall reviewed the "implementation considerations" contained in the Final Draft. He pointed out that the proposed budget calls for nearly \$88,000 for FY 1978 (assuming an implementation date of March 1, 1978) and \$254,000 in FY 1979. These costs do not include amounts needed to upgrade equipment in the Division of Computer Services and he estimated that such costs would be about \$270,000 in FY 1978 and \$760,000 in FY 1979, both amounts requiring an increase in the budget limitations of the Division. Mr. Basgall said that 1977 S.B. 465 should be replaced by a new bill, and recommended that the new bill also contain authority to contract for facilities management.

Mr. James explained present usage of computer services by the Kansas Supreme Court and discussed reactions of the Court to the proposals contained in the Final Draft. The Court had no disagreement with the concept of a management system for the executive branch, but questioned whether the goals, plans and needs of the Court should be reviewed by an executive board. He said that the Supreme Court is the "executive board" for the judicial branch and favored continuation of review of the Court's needs during the budgetary process followed by the legislature. He further said that the judicial branch should have at least equal priority with executive agencies in obtaining computer services. Another option would be to allow the Court to contract for its computer services.

Mr. Dennis presented, on behalf of the State Board of Education, a list of questions regarding the recommendations contained in the Final Draft. In addition to that list, he asked who will determine the rates of charges for computer services and at what time during a fiscal year would such rates be implemented? Will the Department of Education be able to convert present programs if the state goes to a new system and who will pay for such conversion? Speaker Carlin suggested that Mr. Crocker respond in writing to the questions raised by Mr. Dennis.

Next, Mr. Carman distributed a memorandum relating to bill drafting questions that should be answered if the Committee decided to implement the recommendations contained in the Final Draft. The memorandum contained 18 questions and Mr. Carman said he would have had more questions if the Final Draft had included a specific recommendation to authorize facilities management of computer services. It was Mr. Carman's recommendation that a new bill be prepared to replace 1977 S.B. 465 if the Committee decides to propose legislation.

Before proceeding further, Speaker Carlin suggested that the Committee determine whether or not it favored doing something along the lines proposed in the Final Draft. A majority of the Committee was favorable to proceeding and it was agreed that Mr. Carman's memorandum should be considered in detail at the afternoon session.

During the afternoon session Gary Rapp, of Sperry-Univac, presented a document entitled "State of Kansas: Single-Vendor Versus Multi-Vendor Comparisons." He said he is a strong proponent of the multi-vendor approach but his company would expect to bid if a single-vendor approach is decided upon. He said the multi-vendor arrangement, however, would result in cost savings to the state. It was noted by Speaker Carlin that the question of whether or not a state would or should adopt either the single vendor or multi-vendor approach is not involved in the bill draft that the Committee may have prepared so that question was not pertinent to Committee discussion at this time.

The Committee then turned its attention to Mr. Carman's 18 drafting questions and made the following decisions:

1. The proposed organization for computer services should continue as a division of the Department of Administration and not be established as a new department of state government.
2. The proposed Policy Board, not the Secretary of Administration, should be the dominant force in determining computer priorities and goals.
3. The Information Systems Administrator should receive direct orders from the Secretary of Administration and not from the Policy Board.

4. The Information Systems Administrator should be appointed by the Secretary of Administration and not by the Policy Board.
  5. No professional qualifications for the Information Systems Administrator should be specified in the bill.
  6. The other personnel in the proposed organizational system should be appointed by the Secretary of Administration.
  7. The proposed Computer Systems Analysts, Programmer III, Secretary III and Secretaries II should be in the classified service.
  8. The Information Systems Administrator and two of the three directors (see No. 9) should be in the unclassified service, and their salaries should be determined by the Secretary of Administration.
  9. No final decision was made as to whether the present Director of Computer Services (who would become the Director of Operations under the proposal) should be changed from the classified to the unclassified service.
  10. The Information Systems Administrator should have the power to prevent acquisition of computer hardware or software by executive agencies, including institutions under the State Board of Regents, subject to appeal to the Policy Board.
  11. The Information Systems Administrator should be empowered to require state agencies to dispose of computer equipment or software programs currently in operation, subject to appeal to the Policy Board.
  12. No specific instructions were given by the Committee with regard to who will have authority to prescribe the manner in which certain information is to be gathered or entered into computer system or to prescribe by whom it may be accessed. Mr. Carman was instructed to draft some language in this regard for further consideration by the Committee.
- 13-18. Relating to the legislative and judicial branches, the bill should protect both branches as they are protected under the present law with regard to priorities, collection or content of information, acquisition and usage of computer services, etc.

The make-up of the proposed Policy Board should be specified in the bill and the members should be those listed under Item A of the "Recommended Actions" in the Final Draft.

The Committee also decided that the draft bill should include arrangements for contracting for facilities management.

#### State Salary Plan

Conferees were Secretary Weltmer of the Department of Administration and Lowell Long and Jane Weeden of the Personnel Division. These persons were present to report on and answer questions concerning the report on the statewide wage and salary survey and the new pay plan prepared by the Personnel Division, dated September 30, 1977 (a copy of this report was mailed to all members of the Committee prior to the meeting). Mr. Long distributed a written statement to each member highlighting the report on the salary plan and answered questions concerning several facets of the plan. Secretary Weltmer stated that Governor Bennett is in the process of analyzing the study and recommendations and has not yet made a decision thereon. Mr. Long advised the Committee that copies of the recommended pay plan had been sent to all state agencies and that he will conduct a series of meetings in November to obtain reactions to the proposed plan.

#### Proposal No. 49 - State Personnel System

Prior to the meeting a copy of Substitute for S.B. 445 and a draft of the final report on Proposal No. 49 were mailed to the members of the Committee. In that transmittal the staff had raised a question as to whether the State Librarian, who is now classified exempt, should be in the classified or unclassified service and pointed out that in the amendment proposed by Senator Steineger at the October 6 meeting the question had been raised as to whether the word "investigator" should be retained instead of using the word "agent." The Committee decided that the State Librarian should be unclassified and there was no objection to retaining the word "investigator."

Mr. Hanson suggested that, with regard to authority for temporary employment, the limitation be changed from three months to less than 1,000 hours (page 20 of the substitute bill). This recommendation was approved by the Committee. The Committee then approved the report and bill, both as amended, except that it was decided to introduce a new bill instead of making S.B. 445 a substitute bill.

### November 3

The Committee convened at 9:00 a.m. in Room 519 of the State House. All members were present except Senator Doyen. Staff members in attendance all or part of the time were Richard Ryan, Fred Carman, Arden Ensley, Norman Furse and James Bibb. John Wilhm, administrative assistant to the Speaker, also was present.

#### Mandatory Retirement

John Corkhill, Marshal Crowther and Jack Hawn of the Kansas Public Employees Retirement System (KPERS) were present to answer technical questions.

Testimony on the subject of whether or not state and local government employees should be compelled to retire upon obtaining a specified age was presented to the Committee by the following:

Governor's Office (Jim Maag)  
State Department of Aging (Forrest Robinson)  
Kansas Association of Public Employees (Judy Parks)  
Kansas Public Employee Union, AFL-CIO (Vernon Welling)  
League of Kansas Municipalities (E. A. Mosher)  
Kansas Association of Counties (Fred Allen)  
K-NEA (Bob Wootton)  
Kansas Association of School Boards (Marion McGhehey)  
Kansas Association of Community Colleges (Ed Walbourn)  
State Board of Regents (John Conard)  
American Association of University Professors (Dr. Eugene Friedmann)  
American Association of Retired Persons (Anna Reed)  
Jayhawk Area Agency on Aging (Carol Roeden)  
Edith Stunkel, a social gerontologist at KSU.

In addition, the Committee received written statements from the Kansas Supreme Court, Kansas District Judges Association, Kansas Highway Patrol, and Kansas Bureau of Investigation. A memorandum (dated 11-2-77) summarizing their comments and the written statements of most of the above persons who appeared at the hearing is attached to these minutes.

Mr. Allen, of the Kansas Association of Counties, did not present a written statement, but said his organization finds the present law satisfactory and recommended that no changes be made. Edith Stunkel's statement was not received in time to be summarized, but her position was that there should be no mandatory retirement age and that job evaluation of all employees was the key, rather than prescribing arbitrary retirement ages by law.

After discussion of possible recommendations that the Committee might want to make, it was decided to instruct the staff to prepare a tentative bill draft which would eliminate present mandatory retirement provisions in state law pertaining to state employees (not local) who are under KPERS - Nonschool or who are not eligible for membership in KPERS or any other separate retirement program. One exception to that policy, however, was that no change should be made with regard to the status of correction officers. The Committee also tentatively decided that the statute which prohibits hiring persons after age 70 should be repealed. This draft will be reviewed at the next meeting of the Committee.

John Corkhill, Marshal Crowther and Jack Hawn of the Kansas Public Employees Retirement System (KPERS) were present to answer technical questions that might be raised by members of the Committee.

#### Proposal No. 47 - State General Fund

The staff gave an oral report indicating that, based on preliminary and incomplete data, state general fund receipts in the first four months of FY 1978 were \$3.7 million, or 1.5 percent, above the budget estimate.

Proposal No. 50 - Capitol Area Plaza

The Committee approved without change a draft of the final report on this proposal.

Proposal No. 48 - Fiscal Notes

The staff was instructed to draft a report on this proposal for consideration by the Committee at its next meeting.

Next Meeting of the Committee

The Committee scheduled its next meeting on November 28 in Topeka, to begin at 8:30 a.m.

Prepared by Richard W. Ryan

Approved by Committee on:

11-28-77

(Date)