

Approved 3-14-85  
Date

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Bunten at  
Chairperson

1:30 ~~xxx~~ p.m. on Monday, March 4, 1985 in room 514-S of the Capitol.

All members were present except: (all members present)

Committee staff present:

Ray Hauke	-	Legislative Research
Gloria Timmer	-	Legislative Research
Jim Wilson	-	Office of the Revisor
Sharon Schwartz	-	Administrative Aide
Nadine Young	-	Committee Secretary

Conferees appearing before the committee: None  
Others present (Attachment I)

Chairman Bunten called the meeting to order at 1:30 p.m.

HB 2134 -- an act making and concerning appropriations for the fiscal year ending June 30, 1986, for the department of administration, state finance council, state park and resources authority, fish and game commission, state corporation commission and historical society;

SPECIAL REPORT ON D.I.S.C. BY THE JOINT HOUSE AND SENATE SUBCOMMITTEE

The members of this special joint subcommittee began meeting on January 24 1985 to review data processing and telecommunications issues related to Department of Administration during FY 1986. The subcommittee received input from the Division of Information Systems and Communications (DISC); Sperry Univac Corporation; American Telephone & Telegraph; and the Legislative Research Department. Subcommittee's recommendations are contained in (Attachment II).

Representative Chronister presented the report. It was brought to the attention of the committee that an additional proposal was presented to the subcommittee on the day prior to their last meeting day. Chairman Bunten summarized the proposal as follows: "A number of people have been working on the Sperry side upgrading and they suggested in writing to the Director of DISC that they should keep the Sperry system and upgrade it because it would cost less in the long run. It was a surprise to Dr. Getter, and because it did come to us in the 11th hour, we suggested that the Director should in fact keep an open mind and look at the proposal to see whether in fact it has the merit they suggest. In short, the proposal gives flexibility to changing the plan."

Chairman further stated that this new proposal would mean keeping the Sperry system; however, basically what Dr. Getter's people have said is that they believe in the long term, it will be less expensive to go with an all-IBM compatible system. Much of the controversy stems around whether KIPPS can be redesigned less expensive in-house, or whether we can buy software programs and modify it and put it on the IBM machine in a less expensive manner.

Written testimony titled "Sperry Solution" was handed out by Ron Hein and copies distributed to the committee. (Attachment III)

Representative Helgerson asked if there are any additional figures on the difference in going to a new system and modifying KIPPS. Representative Chronister stated that the current figures indicate \$300,000 to buy and \$350,000 for additional modification. It was pointed out, however, that the team that is presently working on the Sperry-KIPPS conversion, would then all be available to work on the conversion of the software.

Representative Rolfs presented a Minority Report as a supplement to the Special subcommittee report (Attachment IV). His report strongly disagrees with the way in which the majority of the subcommittee proposes to finance the telecommunications system.

There was considerable discussion regarding the method of financing of the D.I.S.C. program which calls for an expenditure of \$4.6 million this year, and a total of \$9 million from state general funds.

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 House COMMITTEE ON Ways and Means,  
 room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on Monday, March 4, 19 85

Chairman Bunten told the committee that since the area of telecommunications and computers is relatively new to most everyone, that the committee must have confidence in those specialized people who are working on the plan.

Representative Chronister moved that the Joint Senate and House Subcommittee Report on D.I.S.C. be adopted. Representative Shriver seconded.

Representative Rolfs made a substitute motion relative to Recommendation #1 of the Minority Report, that we take away the net increase of four positions and leave D.I.S.C. at current staff level. Representative King seconded. The vote was 9 ayes and 10 nays. The motion failed.

Representative Rolfs made a concurrent motion that we reappropriate sufficient funds from the FY 86 budget, from various agencies, to pay for in front the \$4.6 million for the cabling of buildings...that is, finance with current dollars rather than utilize Certificates of Participation. Representative Ott seconded.

After considerable discussion, Representative Rolfs closed on his motion to appropriate \$4.6 million out of SGF for the purpose of acquiring telecommunications services and cabling in FY 1986. The motion carried.

Representative Shriver moved that we reappropriate in FY 1986 the \$25 million debt currently on the books for State of Kansas. Representative Turnquist seconded.

Representative Rolfs said he did not disagree philosophically, but he did wish to point out that the \$4.6 million would be difficult, but possible; however, the \$25 million would be virtually impossible. Furthermore, he believes the motion just offered by Representative Shriver is designed to destroy the proposition that the committee just adopted. A vote was taken on Representative Shriver's motion and the motion failed.

Representative Chronister then moved that the Joint Senate and House Subcommittee Report on D.I.S.C. be adopted, as amended. Seconded by Representative Shriver. Motion carried.

HB 2134 - DEPARTMENT OF ADMINISTRATION, FY 85

Representative Chronister presented the subcommittee report (Attachment V), and being no discussion, moved that the report be adopted. Representative Heinemann seconded. Motion carried.

DEPARTMENT OF ADMINISTRATION, FY 86

Representative Heinemann presented the subcommittee report (Attachment VI). Subcommittee made several adjustments to the budget.

Representative Duncan told the committee that effective January 1, 1985, IRS requires that mileage paid to state employees be listed as compensation. He suggested that language be added to the subcommittee report concerning this matter. He offered a motion that the FY 85 and FY 86 subcommittee reports be amended to direct the Department of Administration to promulgate temporary rules and regulations to reduce mileage reimbursement from 22¢ to 20.5¢, effective January 1, 1985. Representative Duncan also recommended this be made retroactive, which would result in a positive fiscal impact to the general fund. Seconded by Representative Chronister. Motion carried.

Representative Duncan distributed copies of a draft bill (Attachment VII) and moved it be introduced and referred back to this committee. The bill concerns allowances for official travel. Representative Chronister seconded. Motion carried.

Meeting adjourned 3:10 p.m.

Date 3-4-85

Name	Address	Representing
Jerry Sigan	Topeka	OJA
Steve Pater	Topeka	Health Care Commission
Jack Kavn	"	KPER
Carmel Hinkle	"	SPERRY
Virgil Basgall	"	DISC
Russell Getter	"	DISC
Sherry Brown	"	DOFA
Dennis Williams	"	Budget Div.
RICK FENEWOOD	"	ATOT

3/4/85

SPECIAL JOINT SUBCOMMITTEE REPORT  
ON DATA PROCESSING AND TELECOMMUNICATIONS

February 12, 1985

The members of the Special Joint Subcommittee began meeting on January 24, 1985 to review data processing and telecommunications issues related to the Department of Administration during FY 1986. This Subcommittee received input from the Division of Information Systems and Communications (DISC); Sperry Univac Corporation; American Telephone and Telegraph — Information Systems; and the Legislative Research Department. The Subcommittee respectfully submits the following recommendations to the House and Senate Committees on Ways and Means.

Telecommunications

1. The Subcommittee concurs with the DISC recommendation for telecommunications services in six core areas, the University of Kansas, KU Medical Center, Kansas State University, Wichita State University, Ft. Hays State University, and the Topeka Capitol Complex. The Subcommittee concurs with the DISC recommendation that in this core project the state should become owner of all building wiring, terminal equipment (principally telephone handsets), and cabling between buildings. The Subcommittee learned that this core project will feature installation of digital switching services at each of the abovementioned locations. The Subcommittee is of the opinion that, due to maintenance requirements and potential technological obsolescence of equipment, the state should lease switching services and should not assume ownership of switching equipment.
2. The Subcommittee learned that, due to elimination of Telpak tariffs, KANS-A-N long distance costs will increase by approximately \$1.4 million during FY 1986, an increase of 17.8 percent above the approved FY 1985 KANS-A-N budget. Original FY 1986 instructions from the Division of the Budget directed agencies to include 31 percent inflation to regular KANS-A-N costs and 83 percent inflation to costs attributable to dedicated data lines. Although uncertainty exists concerning exact increases, particularly as applied to dedicated data circuits, it now appears that inflation will be significantly less than budget instructions originally predicted. Therefore, this Subcommittee recommends that the various appropriations subcommittees review communications budgets included in the Governor's recommendations. The Subcommittee learned that in many cases they are based upon the original budget instructions and can therefore be reduced.
3. The Subcommittee learned that several methods are available to finance the telecommunications purchases envisioned in the six core areas. The Subcommittee is of the opinion that Certificates of Participation or similar commercial financing may offer a less costly option to the lease-purchase arrangements typically offered by equipment vendors. Therefore, the Subcommittee recommends that the Department of Administration pursue this financing option, for acquisition of both telecommunications and computing equipment, if cost savings can be achieved from it. The Subcommittee notes that expenditures for repayment of such certificates are divided among the operating budgets of the user agencies. They are not reflected in the budget of DISC.

3/4/85

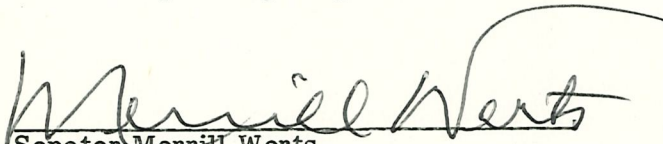
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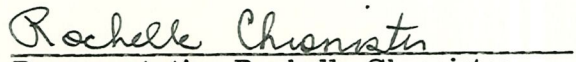
## Information Systems


1. The Subcommittee endorses the proposals of DISC to phase out the Sperry Univac computing center and secure computing equipment that is IBM compatible. Accordingly the Subcommittee also endorses the DISC recommendation to phase out the KIPPS personnel system and replace it with a purchased software package that would operate in the IBM compatible environment.
2. Concurrent with its recommendations enumerated in item 1, the Subcommittee endorses the Governor's FY 1986 DISC budget recommendations for upgrade of the IBM compatible computing center; purchase of a commercially available personnel system; and modification of the personnel package to Kansas computing environment.
3. The Subcommittee expresses its confidence in the technical expertise of the DISC staff. The Subcommittee recommends that DISC carefully review all available options and that in their planning process DISC consider each option for its potential costs and benefits. On its last day of hearings, the Subcommittee learned that DISC was reviewing another option which involves limited upgrade of the Sperry system and retention of it. Due to the expense involved, the Subcommittee recommends that DISC consider all such options prior to finalizing its recommendation.
4. The Subcommittee concurs with the Governor's recommendation for General Fund financing of a high-speed data link between the Santa Fe Building and the State Office Building.
5. The Subcommittee endorses the concept of a cold site for emergency computer backup. The Subcommittee learned that sufficient subscriptions exist to allow construction of such a facility in this area. The Subcommittee recommends that the state's participation in this site be sufficient to include disaster recovery backup for the Regents' institutions, as well as DISC. The Subcommittee learned that \$30,000 is included in the FY 1986 DISC budget to finance the cold site. The Subcommittee recommends that this be supplemented by \$35,000, from the General Fund, to finance participation by the Regents' institutions.
6. The Subcommittee learned that the FY 1985 DISC budget was revised downward, due to revised estimates of operating costs. This reduction will reduce expenditures among the user agencies. The Subcommittee learned that in most cases these savings have been incorporated in the Governor's revised FY 1985 recommendations. The Subcommittee recommends that appropriations subcommittees consider these savings if they have not been adjusted in the Governor's recommendations.
7. The Subcommittee observes that considerable efficiencies exist if agencies submit accounting data to Accounts and Reports on magnetic tape, rather than on paper records. The Subcommittee recommends that all agencies having the equipment to do so submit data to Accounts and Reports using magnetic tape. Further, the Subcommittee expresses its displeasure that further action on this matter has not occurred.
8. The Subcommittee learned that several computer applications exist which are likely to be in a distributed environment. The applications potentially involve statewide operations, when proposals by SRS and the Department of Revenue are included. The Subcommittee recommends that DISC convene a task force to

review distributed data processing needs and make a recommendation concerning distributed data processing by the first day of the 1986 Legislative Session. The Subcommittee recommends that this task force include participation by all agencies potentially involved in distributed data processing.

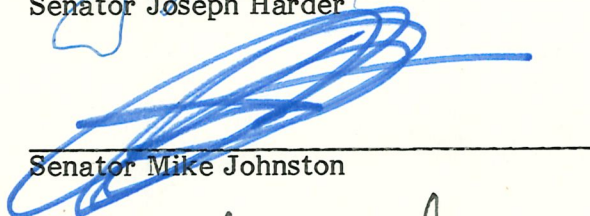
9. The Subcommittee reviewed the staffing of DISC, including the Governor's recommendation to add seven new positions during FY 1986. The Subcommittee concurs with the Governor's recommendations with the following adjustments:
  - a. The Subcommittee learned that four of the new positions are computer operators. Those positions are largely justified based upon operational changes which will occur when the state moves to the Santa Fe Building. Since the state will not occupy the Santa Fe Building during all of FY 1986, the Subcommittee recommends that these positions be filled during only half of FY 1986. This recommendation will reduce the FY 1986 nonreportable budget by \$36,541.
  - b. The Subcommittee learned that the FY 1986 DISC budget presumes filling four vacant positions. As new positions are being recommended, the Subcommittee assumes that existing vacancies are nonessential if they have not been filled. Therefore, the Subcommittee recommends deletion of three positions, allowing a reduction of \$84,557 in the nonreportable budget. Since these positions are directly attributable to projects within the Department of Administration, this recommendation also allows a reduction of \$84,557 to the reportable State General Fund operating budget.

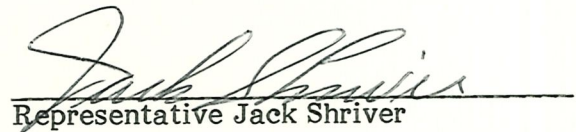
  
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Senator Merrill Werts,  
Subcommittee Vice-Chairman

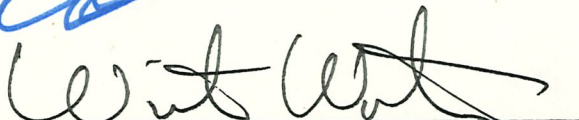
  
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Representative Rochelle Chronister,  
Subcommittee Chairman

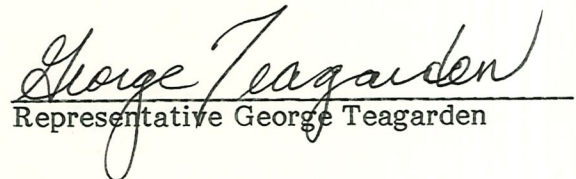
  
\_\_\_\_\_  
Senator Joseph Harder

  
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Representative Bill Buntin

  
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Senator Mike Johnston

  
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Representative Jack Shriver

  
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Senator Wint Winter, Jr.

  
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Representative George Teagarden

## SPERRY SOLUTION

The Sperry Corporation is offering a solution to the State's data processing needs which is superior to the DOA approach in several respects:

- (1) Lower identifiable costs.
- (2) Preserves the State's investment in hardware, software, and maintenance for KIPPS, CASK and the other applications running on the Sperry System.  
(FY 79-90 Approx. \$15,000,000).
- (3) Preserves the State's investment in staff costs to design, develop and fully implement KIPPS during the past 6 years in 92 of 105 agencies.(?)
- (4) Avoids the cost to retrain the approximately 1500 Sperry users. (?)
- (5) Avoids need for FY'85 Supplemental Appropriation to purchase a software package to replace KIPPS. (\$300,000)
- (6) Avoids need for FY'86 appropriation to pay outside consultants to modify new software package to meet Kansas' needs. (\$350,000)
- (7) Avoids duplicate hardware costs on the IBM identified by DISC to replace existing Sperry terminals, tape drives, disk drives, for development of new personnel/payroll system (\$2,499,916)
- (8) Delays the need to upgrade the IBM 3081K to the IBM 3084Q (most powerful IBM system deliverable.) (\$855,000 per year of delay)
- (9) Provides excessive trade-in value of older technology Sperry 1100/63 for the state-of-the-art Sperry 1100/91 to be installed at the Santa Fe Building in March 1986. The State will be contractually obligated to pay an additional \$1,600,000 on the Sperry 1100/63 at that time. Sperry is offering to accept this system as a trade-in on the 1100/91 and relieve the State of its obligation to pay the \$1,600,000 still owed at that time.
- (10) Sperry is also offering to provide immediate capacity relief on the currently installed Sperry 1100/63 at the State Office Building. This system is currently operating at full capacity. Sperry will provide a 4th CPU for the 1100/63, making it an 1100/64, and adding approximately 30% to its capacity. The value of ths 4th processor is approximately \$400,000. Sperry will provide the 4th CPU to the State until the move to the Santa Fe Building at maintenance cost only. Approximately \$30,000 total.
- (11) Sperry would install an 1100/91 CPU complex at the Santa Fe Office Building. This would provide approximately twice the CPU performance of the current 1100/63 system. At a 12% growth rate in processing per year the 1100/91 would represent a 5 year solution. The total net increase in the budget over the years FY 85 - FY 91 would be approximately \$3.2 million. The State would then own all of the Sperry equipment. (These figures presume currently available financing rates of 8-1/2% pver a 60 month period).

3/4/85

III

- (12) Sperry System back-up capacity can be provided via cold sites as has been budgeted, through hot sites which would be available with compatible Sperry distributed network, through the Sperry users group, and through Sperry itself.
- (13) The most important advantage of the Sperry Solution is that it actually addresses the problem which has prevented the remaining 13 of 105 agencies from being implemented on the payroll module of KIPPS: hardware capacity on the Sperry System. Sperry will be the first to agree that "just throwing computer hardware at a problem" is generally not the best approach unless hardware capacity is the primary problem. Computer systems do run out of capacity when the demand placed on a system by a large network of users exceeds a particular hardware configurations ability to respond to the demand. That is what has happened on the Sperry System in the State. Sperry is proposing a solution that solves the problem both in the short-term and long-term.

The DOA alternative does more than "just throw computer hardware at the problem."

The DOA proposal throws the largest IBM side hardware upgrade in the history of the State at the problem.

The DOA proposal also throws expensive consultants, software packages and an unidentified number of State employees into the most costly conversion effort ever undertaken by the State.

The DOA proposal also throws out the entire \$15 million hardware, software and maintenance investment which has been made to design, develop, and implement KIPPS specifically to meet the needs of Kansas.

The Sperry alternative provides a cost-effective and realistic solution which will allow the State to build on its investment rather than waste it.



CAN THE DEPARTMENT OF ADMINISTRATION'S IBM  
CONVERSION PLAN SUCCEED?

Following is a list of activities occurring in the next 3 years:

Implement largest IBM computer upgrade in Kansas history.

Replace Sperry terminal communications network (320 devices) with IBM connected terminal network.

Change to the new IBM operating system MVS-XA.

Maintain and support multiple operating systems in IBM center (MVS-XA will not operate on NAS 7000)

Complete 138 man-year Sperry to IBM software conversion.

(See Department of Administration's Consultants Sperry System Inventory Attached)

Install a totally new Personnel/Payroll package to replace KIPPS.

Modify new Personnel/Payroll package to meet the needs of Kansas.

Continue to maintain KIPPS and old payroll system until something new is functional.

Attempt to convert a Personnel/Payroll package which is designed for centralized processing to a distributed processing mode of operation.

Install the minicomputer hardware necessary to implement a distributed processing network.

Replace end-user computing capability of MAPPER with software that requires more professional programmers to get work done with the computer.

Retrain the approximately 1500 Sperry System users.

Implement a new statewide pay plan?

Implement a technologically complex statewide telecommunications plan.

Complete a physical move of the DISC Computing Center from the State Office Building to the Santa Fe Office Building.

Implement several major new on-line applications on the IBM system: Vehicle Information Processing System (VIPS); Kansas Business Integrated Tax System (KBITS); KPERS Claim System, SRS On-line Automated Eligibility System (450 terminals).

Continue to try to remove Kansas University from KIPPS?

1-1/2 years into this plan a new Administration will inherit the results of this IBM conversion plan.

]DISC FISCAL IMPACT ANALYSIS[

PHASE OUT SPERRY - UNIVAC

Keep Sperry-Univac

	FY85	FY86	FY87	FY88	FY89	FY90	TOTAL FY86-FY90	FY85	FY86	FY87	FY88	FY89	FY90	TOTAL FY86-FY90
<b>IBM Operations:</b>														
Base Budget	4875434	4977813	4368468	3865591	3633436	3457885	20303193	4875434	4977813	4368468	3865591	3633436	3457885	20303193
Add Memory Page Devise	0	149088	0	0	0	0	149088	0	149088	0	0	0	0	149088
Add 5 GB Disk w/contrlr	0	69306	72696	72696	72696	72696	360090	0	69306	72696	72696	72696	72696	360090
Replace ribbon reinker	0	8500	0	0	0	0	8500	0	8500	0	0	0	0	8500
Replace 2 old printers	0	9963	42084	42084	42084	42084	178299	0	9963	42084	42084	42084	42084	178299
Replace Tape Dr. Equip.	0	45480	179964	179964	179964	179964	765336	0	45480	179964	179964	179964	179964	765336
Micro mainframe links	0	53861	43861	43861	43861	43861	229305	0	53861	43861	43861	43861	43861	229305
Replace COBOL Complier	0	7500	7500	7500	7500	7500	37500	0	7500	7500	7500	7500	7500	37500
Add 3081-K CPU	0	417208	1251624	1251624	1251624	1251624	5423704	0	417208	1251624	1251624	1251624	1251624	5423704
Add 27.5 GB Disk	0	111450	380808	380808	380808	380808	1634682	0	111450	380808	380808	380808	380808	1634682
Add Speed Match/buffers	0	6652	22476	22476	22476	22476	96556	0	6352	22476	22476	22476	22476	96556
Move to Santa Fe Bldg.	0	123478	0	0	0	0	123478	0	123478	0	0	0	0	123478
Add 4 Operator position	0	75454	75454	75454	75454	75454	377270	0	75454	75454	75454	75454	75454	377270
Comm.Link with Santa Fe	0	368616	24336	24336	24336	24336	465960	0	268616	24336	24336	24336	24336	465960
Relocate Comm. circuits	0	25822	0	0	0	0	25822	0	25822	0	0	0	0	25822
Expand Dial-up Security	0	15000	0	0	0	0	15000	0	15000	0	0	0	0	15000
Portable circuit testrs	0	1978	0	0	0	1978	1978	0	1978	0	0	0	0	1978
New Terminal Devices	0	10800	16200	16200	16200	75600	75600	0	10800	16200	16200	16200	16200	75600
Miscellaneous Furniture	0	4347	0	0	0	4347	4347	0	4347	0	0	0	0	4347
Less:IBM 3033-N (DHR)	0	0	-323379	-99384	-99384	-99384	-621531	0	-323379	-99384	-99384	-99384	-99384	-621531
Less:AS 5000 CPU&Peri.	0	0	0	0	0	0	0	0	0	-146076	-146076	-146076	-146076	-584304
Less:Old Stc.Disk Stor.	0	0	0	0	0	0	0	0	0	-199068	-199068	-199068	-199068	-796272
Replace Univac terminal	0	39600	269935	269935	269935	269935	1119340	0	0	0	0	0	0	0
Replace 3081K w/3084Q	0	0	0	0	0	855420	855420	0	0	0	0	0	0	0
10 Distrib.Minicomputr.	0	0	909720	909720	909720	909720	3638880	0	0	0	0	0	0	0
SUB-TOTAL	4375434	6521916	7341747	7062865	6830710	7510579	35267817	4875434	6482316	5816948	5538066	5305911	5130360	28273601
<b>Space Requirements:</b>														
Base Budget	299572	314236	392178	392178	392178	392178	1882948	299572	314236	392178	392178	392178	392178	1882948
Cold Site	0	17118	17118	17118	0	0	51354	0	17118	17118	17118	0	0	51354
Duplicate space (move)	0	122283	0	0	0	0	122283	0	122283	0	0	0	0	122293
SUB-TOTAL	299572	453637	409296	409296	392178	392178	2056585	299572	453637	409296	409296	392178	392178	2056585
<b>Univac Operations:</b>														
Base Budget	2880301	2956626	2956506	2339799	2118408	1126804	11498143	2880301	2956626	2956506	2339799	2118408	1537204	11908543
Miscellaneous Furniture	0	854	0	0	0	0	854	0	854	0	0	0	0	854
Loaner-4thCPU for 1100	0	0	0	0	0	0	0	0	27756	0	0	0	0	27756
Add 1100/91 CPU&Softw.	0	0	0	0	0	0	0	0	367288	1101864	1101864	1101864	1101864	4774744
Add Disk Stor.4x4 8460	0	0	0	0	0	0	0	0	72056	216168	216168	216168	216168	936728
Add 4 Tape Drives	0	0	0	0	0	0	0	0	15104	45312	45312	45312	45312	196352
Add Cashe Storage 2x2	0	0	0	0	0	0	0	0	74792	224376	224376	224376	224376	972296
Upgrade 1100/92	0	0	0	0	0	0	0	0	0	650568	650568	650568	650568	2602272
Less:1100/63 trade-in	0	0	0	0	0	0	0	0	0	-638700	-463506	-405108	-153612	-1660926
2 DCP-40 Comm. Process	0	0	0	0	0	0	0	0	37692	113076	113076	113076	113076	489996
Comm.Link with Santa Fe	0	7320	21961	21961	21961	7320	80523	0	7320	21961	21961	21961	21961	95164
Move to Santa Fe Bldg.	0	0	0	0	0	0	0	0	88426	0	0	0	0	88426
Additional Freight	0	0	0	0	0	0	0	0	8500	2800	0	0	0	11300
Relocate Comm. Circuit	0	0	0	0	0	0	0	0	17500	0	0	0	0	17500
Less:Phased/o oper.pos.	0	0	0	0	0	-211690	-211690	0	0	0	0	0	0	0
10 Distrib.minicomputer	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL	2880301	2964800	2978467	2361760	2140369	922434	11367830	2880301	3673914	6071051	5626738	5463745	5134037	25969485

Space Requirements:

Base Budget	120543	126443	126443	126443	126443	42148	547920	120543	126443	4312	4312	4312	4312	143691
Cold Site	0	6888	6888	6888	0	0	20664	0	6888	6888	6888	24006	24006	68876
Add'l 5866 Sq.Ft.(move)	0	0	0	0	0	0	0	0	62375	187125	187125	187125	187125	810875
SUB-TOTAL	120543	133331	133331	133331	126443	42148	568584	120543	195706	198325	198325	215443	215443	1023242

Systems Development

Base Budget	1046104	1055306	1055306	1055306	1055306	1055306	5276530	1046104	1055306	1055306	1055306	1055306	1055306	5276530
Purchase KIPPS Pkg.	300000	0	0	0	0	0	0	0	0	0	0	0	0	0
Adapt KIPPS Package	0	350000	0	0	0	0	350000	0	0	0	0	0	0	0
SUB-TOTAL	1346104	1405306	1055306	1055306	1055306	1055306	5626530	1046104	1055306	1055306	1055306	1055306	1055306	5276530

Other Cost Centers:

Base Budget	1037871	1118991	1118991	1118991	1118991	1118991	5594955	1037871	1118991	1118991	1118991	1118991	1118991	5594955
Add 3 Positions	0	107327	107327	107327	107327	107327	536635	0	107327	107327	107327	107327	107327	536635
Upgrade W/P Terminals	0	5530	0	0	0	0	5530	0	5530	0	0	0	0	5530
Insurance Cov.on Equip.	0	11888	11888	11888	11888	11888	59440	0	11888	11888	11888	11888	11888	59440
Software Pkg. for IC	0	3500	0	0	0	0	3500	0	3500	0	0	0	0	3500
Add Micro & Printer	0	3877	0	0	0	0	3877	0	3877	0	0	0	0	3877
Move to Santa Fe Bldg.	0	14640	0	0	0	0	14640	0	14640	0	0	0	0	14640
SUB-TOTAL	1037871	1265753	1238206	1238206	1238206	1238206	6218577	1037871	1265753	1238206	1238206	1238206	1238206	6218577

GRAND TOTAL

10559825	12744743	13156353	12260764	11783212	11160851	61105923	10259825	13126632	14789132	14065937	13670789	13165530	68818020
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SAVINGS TO PHASE OUT

SPERRY-UNIVAC	-300000	381889	1632779	1805173	1887577	2004679	7712097
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- Is the net \$4,000,000 + that will be owed to IBM at the end of FY 90 included as a cost of the system? If not, why not?
- \* - Isn't it true that, based upon current growth factors, the State does not need a \$2,600,000 upgrade to the Sperry 1100/92, and that the 1100/91 is sufficient? (DISC, in their rebuttal to Sperry testimony, justified the 1100/92, by saying the State would need back-up not provided by the single CPU 1100/91.) Why didn't DISC tell the Legislature that the Sperry minicomputers would provide back-up without the need to spend \$1.6 million more?
- \* - Why are mini-computers on the Keep Sperry side of the ledger priced \$1,900,000 more than the left side (Phase Out Sperry) when DISC plans to use Harris 700 minicomputers that will work equally well on IBM and Sperry? If the answer is that they used Sperry minicomputers for the right side, isn't it true that the Sperry minicomputer would offer full compatibility between mainframe and the minis and provide 10 hot-site backup locations for the State, which compatibility is not possible on the IBM side. (There is not a minicomputer made that is fully compatible with the IBM mainframe.)
- \* - DISC testified they used "list" prices. Sperry encouraged the Legislature to seek bids or "firm" prices from the vendors because traditionally IBM would not provide the package discounts that other vendors, including Sperry, would provide. Wouldn't the Legislature have a more realistic and accurate view of the costs on this multi-million dollar project if they sought bids or "firm" prices from the vendors? (Sperry has offered substantial over the life of the contract. IBM has not offered any discounts to date, so far as is known.)
- \* - The State will be required to pay a tremendous price for the conversion or replacement of the 3,943 programs now operating on the Sperry System. The DOA's own consultant estimated the conversion effort at 138 man-years. Therefore, if the 17 Sperry System programmer/analysts had nothing to do but convert programs to IBM the task would take 8 years. DOA has included no identified conversion cost in its plan. At the conservative rate of \$25,000 per man year the costs to convert would be \$3,450,000.

## COMPARISON OF IBM AND SPERRY COMPATIBLE VENDORS

I B M \*

SPERRY \*

### Central Processing Units

IBM  
National Advanced Systems  
Amdahl  
Third Party Marketplace

Sperry  
Third Party Marketplace

Most mainframe vendors, including IBM & Sperry, are compatible to exchange data. So both lists could and should include Burroughs, Control Data, Honeywell, NCR, and each other. All IBM CPU's are not compatible with each other. Amdahl and NAS will not operate the state-of-the-art IBM operating system.

### Tape Drive

Telex  
IBM  
STC (currently in bankruptcy)  
Third Party Marketplace

Sperry  
Third Party Marketplace  
Telex  
STC (currently in bankruptcy)  
Amperif

### Disk Storage

IBM  
Storage Technology Corporation  
National Advanced Systems  
Memorex  
Third Party Marketplace

Sperry  
Third Party Marketplace  
Amperif  
Centenial  
Masstor

### Terminal Equipment

IBM  
Telex  
Harris  
Courier  
Lee Data  
Beehive  
Third Party Marketplace

Sperry  
Third Party Marketplace  
Computer Place  
COM Squared Systems  
Uniterm, Inc.  
CHI Corp.  
Intelligent Systems Co.  
IBM  
Currier  
Beehive  
Harris  
Telex  
American Telephone and Telegraph  
Burroughs  
Hazeltine  
Memorex  
Zenith  
National Cash Register

\* This listing should not be regarded as complete. Other vendors may also manufacture compatible equipment in some or all of these areas.

Communication Subsystems

Unknown, not listed by DISC

Sperry  
Third Party Marketplace  
CHI Corp.

Distributed Systems that function through compatible Communications Controllers

IBM  
Harris  
Data General  
Wang  
Burroughs  
National Cash Register  
Third Party Marketplace

Sperry  
Third Party Marketplace  
Digital Equipment Corporation  
IBM  
Harris  
Data General  
Wang  
National Cash Register  
Burroughs  
Honeywell

Personal Computers

Unknown, not listed by DISC

Sperry  
Third Party Marketplace  
IBM  
Zenith  
Corona  
Televideo  
Eagle PC  
Columbia PC  
Leading Edge PC  
COMPAQ  
Chameleon  
Olivetti  
Tava  
Handwell PC

DOA PROPOSAL TO PURCHASE PERSONNEL/PAYROLL PACKAGED SOFTWARE  
THE LOUISIANA EXPERIENCE

Louisiana had a Honeywell for DOA and IBM for the rest. It was proposed to convert to all IBM, buy software packages, and modify them.

The person interviewed has an IBM background. Louisiana converted and brought a package (believed to be ISI). They have spent a considerable amount on consultants to try to get the package to work, and have committed 7-8 positions for 1-1/2 years to 2 years to implement the package for Personnel only, and it's still not complete. In addition, there has been manpower from the user agencies involved. They have not even begun the Payroll Module yet.

He said the commercial package vendors sell you "off the shelf" and then leave you to modify it yourself. You get a product that's "extremely complex" and it becomes a "nightmare." To buy a package for a single agency or single university is alright if you are prepared to modify the agencies procedures to the software requirements. But "various departments have divergent requirements" and when you combine all into a single system it becomes "extremely difficult - just to design it is hard enough."

With the package, you don't know what's on the inside. He said you could not convert "unless willing to make significant compromises in the way you do business. "After hearing a brief explanation of Dr. Getter's proposal, he said he would not expect that project to be successful.

Louisiana had a Big-3 accounting firm do a comprehensive needs analysis and got a 2-3 volume report. Even then, the original estimates were only 1/2 of the project scope.

Regarding modifying software that you have not done yourself, he said, it is more difficult because you do not know the code. If the software company will offer there consultants and you have the money, you can have them make the modifications.

All it takes is one small change when doing the modification to "screw up the whole package."

He is working on getting the costs for their project. We believe that their project does not include the Regents Institutions. That, ostensibly, would create further problems, but that was not discussed.

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MINORITY REPORT

I concur with the majority with the following exceptions:

- 1. The report agrees with the Governor in increasing the staff of DISC by seven positions and deletes three unfilled positions for a net increase of four. These new positions are utilized to increase the security of the tape library and to implement a reorganization of DISC. While the increased security for the tape drives would be nice, you should know that those who have access to these tapes have been cleared through the KBI. With the substantial needs in education, agriculture, and social services this expenditure simply does not rate the priority necessary to expand the bureaucracy.

When we reorganized DISC last year, we created a new high level position assuming that person would serve the purpose for which we now apparently need a couple of new positions. Again, the priority for these new positions simply does not rate.

- 2. I concur with the proposal to cable our buildings, I strongly disagree with the way in which the majority proposes to finance this expenditure. We have long abided by the "pay as you go" philosophy in Kansas. The majority and the Governor suggest that we should go out and borrow \$7.0 million to install this system. I would propose instead, to pay for the system with current dollars and not saddle future legislatures with this expenditure for ten years to come.

Few would argue that a business the size of Kansas government should not borrow money. However, government is in a unique situation. There is absolutely no incentive for those in government not to borrow to the limit. We started with deficit financing several years ago with lease-purchase agreements that were made for Xerox machines and computers. Indebtedness has grown as follows:

1982	\$11	million
1983	16	million
1984	25	million

Now you are voting on a proposal that escalates deficit financing to an even greater extent. How long will it be before Kansas, the bastion of fiscal responsibility, finds itself in the same boat as New York, California, Minnesota, and the other states we used to scoff at.

The proposal you are considering today punches a hole in the dike of government deficits where we had a small crack before. It might be possible to bring fiscal sanity back now, however, the day is fast approaching when we can no longer plug the leaks in our financial dike.

- 3. The majority proposes to let our experts make the decision on dumping the Sperry system and KIPPS. My response to that thinking is, "fooled once maybe, but never twice."

In 1979, the Department appeared before this Committee with a proposal to acquire a Sperry system. Many of us stated strenuous reservations but adopted the

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position the majority proposes today. As a result, we have spent millions in hardware and software in the acquisition of the Sperry system and the development of KIPPS.

By anyone's estimation, we have appropriated millions of dollars due to poor planning and inefficient operation.

Now, the Department is back asking us to take off on a new tangent that raises even more questions than the Sperry acquisition six years ago. While it is impossible to get into the minutiae of the issue, suffice it to say that they propose to dump the KIPPS system for which we spent millions developing, buy a commercial payroll package for \$350,000, and spend an additional \$300,000 to modify that package for state needs. If their dollar estimates are right, the proposal is the best thing since sliced bread.

It is hard for me to see how they can seriously suggest that we can get by with a \$650,000 expenditure in developing a payroll system today when our own programmers have spent millions developing KIPPS over the period of the last six years, which would simply be junked under their proposal.

Additionally, the IBM upgrade would be under a deficit financing program to the tune of \$5 million, a proposition to which I have already outlined my objections.

I would recommend essentially what the House and this Committee recommended last year. In the proposal adopted last year, we directed the department to redesign KIPPS, acquire a new Sperry CPU, purchase some additional gear to implement a distributed processing system, and attempt to bring everyone into the system. That proposal was eventually dropped in favor of more study.

Ironically, the department presented this as an additional proposal on the final day this Subcommittee held hearings.

  
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Representative Ed Rølf



SUBCOMMITTEE REPORT

Agency: Department of Administration      Bill No. 2154      Bill Sec. 2  
 Analyst: Hauke      Analysis Pg. No. 427      Budget Pg. No. 1-55

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 19,044,875	\$ 19,022,301	\$ (148,838)
Aid to Local Units	525,000	525,000	—
Other Assistance	330,000	330,000	—
Subtotal-Operating	<u>\$ 19,899,875</u>	<u>\$ 19,877,301</u>	<u>\$ (148,838)</u>
Capital Improvements	1,180,228	1,097,594	—
TOTAL	<u><u>\$ 21,080,103</u></u>	<u><u>\$ 20,974,895</u></u>	<u><u>\$ (148,838)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 18,089,081	\$ 18,094,135	\$ (148,838)
Other Assistance	300,000	300,000	—
Subtotal-Operating	<u>\$ 18,389,081</u>	<u>\$ 18,394,135</u>	<u>\$ (148,838)</u>
Capital Improvements	1,002,844	1,002,844	—
TOTAL	<u><u>\$ 19,391,925</u></u>	<u><u>\$ 19,396,979</u></u>	<u><u>\$ (148,838)</u></u>
F.T.E. Positions	896.9	899.0	—

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Deletion of a \$65,000 supplemental appropriation from the State General Fund for the Division of Architectural Services. Subcommittee review of salary and wage expenditures to date indicates that this appropriation will not be necessary.
2. Based upon review of salary and wage expenditures during the first seven months of FY 1985, the Subcommittee recommends a reduction of \$83,838 to the approved State General Fund salary and wage budget. The Subcommittee recommends that these savings be reappropriated as an offset to FY 1986 appropriations. The specific line items of reduction are:

Budget Analysis	\$20,000
Division of Purchases	20,456
Architectural Services	23,060
Buildings and Grounds	20,322

3. The Subcommittee reduces projected FY 1985 expenditures from the Unemployment Claims Audit Fund by \$200,000. This is a nonreportable budget item and is discussed in detail in item 8 of the FY 1986 report.
4. The Subcommittee reduces FY 1985 expenditures from the Motor Pool Service Fund by \$250,000, a nonreportable budget item, which is discussed in detail in item 9 of the FY 1986 report.

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Rep. Rochelle Chronister  
Representative Rochelle Chronister  
Subcommittee Chairman

Bill Buntin  
Representative Bill Buntin

Lee Hamm  
Representative Lee Hamm

David Heinemann  
Representative David Heinemann

Don Mainey  
Representative Don Mainey

SUBCOMMITTEE REPORT

Agency: Department of Administration Bill No. 2134 Bill Sec. 2  
 Analyst: Hauke Analysis Pg. No. 427 Budget Pg. No. 1-55

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 22,061,974	\$ 20,263,674	\$ (198,857)
Aid to Local Units	525,000	525,000	—
Other Assistance	30,000	30,000	—
Subtotal-Operating	<u>\$ 22,616,974</u>	<u>\$ 20,818,674</u>	<u>\$ (198,857)</u>
Capital Improvements	3,520,945	2,011,359	(138,993)
TOTAL	<u><u>\$ 26,137,919</u></u>	<u><u>\$ 22,830,033</u></u>	<u><u>\$ (337,850)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 20,843,515	\$ 19,072,325	\$ (198,857)
Other Assistance	—	—	—
Subtotal-Operating	<u>\$ 20,843,515</u>	<u>\$ 19,072,325</u>	<u>\$ (198,857)</u>
Capital Improvements	3,208,191	1,098,605	(165,494)
TOTAL	<u><u>\$ 24,051,706</u></u>	<u><u>\$ 20,170,930</u></u>	<u><u>\$ (364,351)</u></u>
F.T.E. Positions	954.1	910.0	(5.0)

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. The Subcommittee concurs with the recommendations of the Joint Subcommittee on Computing and Telecommunications concerning the FY 1985 and FY 1986 budget for DISC. While the recommendations of that Subcommittee will not be repeated in this report, those recommendations involve two budgetary adjustments for incorporation into FY 1986 appropriations:
  - a. Addition of \$35,000 in FY 1986 to the General Fund (Central Management Information Systems and Computing Operations line item) for inclusion of Regents' institutions in a backup "cold site" computer center. (Note: See item 5 of DISC Subcommittee report.)
  - b. Deletion of financing and position authority for filling three vacant positions. This deletion has the following impact upon the Department's budget: (1) reduction of \$84,557 in the FY 1986 nonreportable operating budget; (2) reduction of \$84,557 in the General Fund (Central Management Information Systems and Computing Operations line item); and (3) reduction of 3.0 F.T.E. in the position authority. (Note: See item 9 of DISC Subcommittee report.)
2. The Subcommittee learned that KPERS contributions were inadvertently included in the FY 1986 budget for Governor's fellows. Since those employees are new to the state system, KPERS contributions can be reduced for a General Fund savings of \$1,787 (General Administration line item).

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3. The Subcommittee recommends that funding be deleted from this budget for retirement payouts. The Subcommittee is of the opinion that such payouts can be absorbed within turnover savings and should not be separately budgeted. This \$90,125 deletion allows a \$66,725 General Fund reduction in the reportable budget and a \$23,400 reduction to the non-reportable State Buildings Operating Fund. Specific General Fund line items involved in this deletion are:

Accounting and Reporting	\$22,989
Personnel Services	27,818
Purchasing	6,436
Buildings and Grounds	9,482

4. The Subcommittee reviewed the FY 1986 budget of \$143,427 for stationery and office supplies in Accounts and Reports. The Subcommittee learned that it is an 18.4 percent increase to the FY 1985 budget. The Subcommittee recommends an FY 1986 budget of \$124,720, which is a \$18,707 reduction to the Governor's recommendation. The Subcommittee recommendation is a 3 percent increase to the approved FY 1985 budget.
5. The Subcommittee reviewed the Governor's FY 1986 recommendation to establish a central records center for storage of inactive records. The Subcommittee is of the opinion that this is a low priority item. The Subcommittee recommends deletion of \$62,081, which the Governor recommended from the General Fund, to finance this center. This deletion also involves reduction of 2.0 F.T.E. to the FY 1986 position authority.
6. The Subcommittee reviewed the Governor's recommendations concerning occupancy of the Santa Fe Building. The Subcommittee learned that the Governor's recommendations, including moving and renovations, involve several special revenue funds as well as the State General Fund. The Subcommittee is aware that discussions are presently underway concerning possible sale of the Santa Fe Building to a private developer, with the state becoming occupant through a lease arrangement. The Subcommittee highlights this issue as one that must be resolved during the 1985 Session. If the building is leased, adjustments are necessary to the Property Contingency Fund, the State Buildings Depreciation Fund, and the State General Fund capital improvements budget. Additionally, revisions are necessary to the assumptions concerning disposition of the Santa Fe escrow account.
7. The Subcommittee reviewed proposed expenditures from the Health Care Benefits Program Fund, which receives its revenue from a portion of collections for the state employee health insurance program. During FY 1985, the fund receives the difference between \$85 and the state's monthly payments to the insurer for each covered employee. (Note: \$1.58 is deposited in the fund monthly for the typical employee in the Blue Cross-Blue Shield plan.) The Subcommittee submits the following observations and recommendations concerning the fund:
  - a. The Governor's recommendations project receipts to the fund of \$1,480,000 in both FY 1985 and FY 1986.

- b. The Governor's recommended expenditures from the fund are \$109,719 in FY 1985 and \$154,997 in FY 1986, allowing fund balances of \$1,370,379 in FY 1985 and \$2,695,382 in FY 1986.
  - c. The Subcommittee learned that such fund balances are justified if the state self-insures some portion of its health insurance plan. The Subcommittee is of the opinion that such balances are not justified if the state does not self-insure the health plan.
  - d. The Subcommittee is generally not supportive of the self-insurance concept. Further, the Subcommittee learned of no immediate plan to pursue self-insurance by the State Employee Health Care Commission. The Subcommittee also notes that another option, to this sizeable balance for self insurance purposes, would be a statutory change allowing the state's idle funds to serve as a self insurance backup.
  - e. The Subcommittee concurs with the Governor's FY 1985 and FY 1986 recommendations for administrative expenditures from the fund.
  - f. The Subcommittee recommends that of the \$1,370,379 projected FY 1985 ending balance \$1,350,000 be appropriated to offset expenditures associated with the FY 1986 civil service salary plan adjustment. The Subcommittee recommends that of this amount 67 percent (\$904,500) be an offset to State General Fund expenditures and 33 percent (\$445,500) be an offset to special revenue fund expenditures. The Subcommittee is of the opinion that by allocating these savings between state and special revenue fund expenditures, the likelihood of a federal audit exception should be minimized. This recommendation will leave an ending balance of approximately 1.5 months expenditures from the fund.
  - g. The Subcommittee recommends that the rate of collections to the fund in FY 1986 be set at a level which will produce revenue to the fund of approximately \$160,302, resulting in a FY 1986 ending balance of approximately \$20,000 when expenditures are considered. This recommendation results in \$1,319,698 among the FY 1986 health insurance budgets of state agencies which can be used as an offset to costs associated with the civil service salary plan. Of these savings \$884,198 would be to the State General Fund and \$435,500 would be to special revenue funds.
8. The Subcommittee reviewed the Unemployment Claims Audit Fund, which was created by the 1984 Legislature for the purpose of improving auditing of unemployment claims against the state's account. The fund receives its revenue from a percentage (.04 percent in FY 1985 and FY 1986) of the unemployment insurance collections on covered payrolls. The Subcommittee learned that expenditures for auditing contracts have been substantially less than anticipated. The Subcommittee submits the following observations and recommendations concerning the fund.
- a. The Subcommittee reduces the approved FY 1985 expenditures for audits by \$200,000, an amount which is reflected in the nonreportable operating budget, a reduction which will result in

- a FY 1985 ending balance of \$230,914 in the Unemployment Claims Audit Fund.
- b. The Subcommittee recommends that the FY 1986 budget for auditing of claims be reduced by \$20,000 (from \$232,000 to \$212,000).
  - c. The Subcommittee recommends that collections on covered payrolls be reduced by \$220,000 during FY 1986, a reduction that would amend the assessment rate from .04 percent to approximately .01 percent.
  - d. As agency budgets are predicated upon collections of .04 percent, approximately \$220,000 is available in agency budgets that the Subcommittee recommends be used to offset expenditures associated with the civil service salary plan adjustment. This will reduce the General Fund share of the adjustment by \$147,400 and the special revenue fund share by \$72,600.
9. The Subcommittee reviewed policies and related expenditures associated with the central motor pool. The Subcommittee submits the following observations and recommendations concerning the central motor pool.
- a. The 1984 Legislature recommended increasing the retirement mileage on vehicles from 60,000 to 80,000. The agency's budget is based upon returning to the 60,000 mile policy. The Subcommittee is of the opinion that the 80,000 mile policy has not been in existence for a sufficient time frame to determine whether it is a cost effective policy. The Subcommittee recommends that the 80,000 mile policy continue throughout FY 1986.
  - b. Based upon an 80,000 mile policy, the Subcommittee recommends that the budget for vehicle replacement be reduced by \$945,000, from the Motor Pool Depreciation Reserve Fund. The Subcommittee's recommendations are based upon replacement of 80 passenger cars, rather than 180 contained in the agency request.
  - c. The Subcommittee reviewed FY 1985 expenditure trends through the first seven months for gasoline, vehicle supplies, and contractual repairs. The Subcommittee recommends that the FY 1985 budget for fuels and supplies be reduced by \$262,103 from \$1,267,500 to \$1,005,397. The Subcommittee recommends that the budget for contractual repair be increased by \$12,103, from \$225,000 to \$237,103. This adjustment results in a net FY 1985 decrease of \$250,000 to the Motor Pool Service Fund.
  - d. The Subcommittee recommends that the FY 1986 budget for fuels, supplies, and repairs be adjusted, based upon the revised FY 1985 estimates detailed in item c above. The Subcommittee's estimates are based upon 4.2 percent inflation for fuels and 5 percent inflation for parts and repairs. The Subcommittee recommends an FY 1986 budget of \$1,048,688 for vehicle fuels

and supplies, a reduction of \$401,312 to the Governor's recommendation. The Subcommittee recommends a budget of \$248,984 for contractual repairs, a \$11,834 increase to the Governor's recommendations. The Subcommittee's recommendations result in a total reduction of \$389,478 to the Governor's recommended FY 1986 expenditures from the Motor Pool Service Fund.

- e. The Subcommittee reviewed balances in the Motor Pool Service Fund and the Motor Pool Depreciation Reserve Fund. Legislative policies concerning vehicle replacement and moderation in fuels prices have combined to reduce motor pool expenditures in FY 1984 and FY 1985. Consequently, sizeable balances have developed in both motor pool funds. The Governor's recommendations would result in FY 1985 ending balances of \$1,138,450 in the Motor Pool Service Fund and \$2,692,518 in the Motor Pool Depreciation Reserve Fund. Reductions in FY 1985 operating expenditures recommended by this Subcommittee, would only increase the FY 1985 ending balances. Therefore, the Subcommittee recommends that on July 1, 1985, \$1,000,000 be transferred from the Motor Pool Service Fund to the State General Fund and that \$1,500,000 be transferred from the Motor Pool Depreciation Reserve Fund to the State General Fund. The Subcommittee's Motor Pool recommendations would result in balances at the end of FY 1986 of \$676,947 in the Services Fund and \$1,654,768 in the Depreciation Fund. The Subcommittee is of the opinion that such balances are sufficient for cash flow and are sufficient to finance vehicle acquisitions at a later date should the motor pool retirement policy be returned to 60,000 miles.
  - f. The Subcommittee could not review FY 1985 expenditures for vehicle insurance, as bids for insurance will not be opened until early March. The Subcommittee wishes to highlight this as an item which the Legislature may review at a later date.
10. The Subcommittee concurs with the capital improvements recommendations of the Joint Committee on State Building Construction. The Joint Committee makes no recommendation at this time concerning Santa Fe projects. As a technical matter, the Subcommittee is not adjusting the Governor's recommendations concerning Santa Fe, pending resolution of this issue. The following table highlights appropriations recommended by the Governor and the Joint Committee's recommendations concerning them.

Project	Gov. Rec.		Com. Rec.	
	Amount	Fund	Amount	Fund
Special Maintenance — Statehouse and Judicial Center	\$ 175,000	SGF	\$ 150,000	SGF
Special Maintenance — S.O.B., 503 Kansas, and Forbes Property	175,000	SBD	175,000	SBD
Special Maintenance — Cedar Crest	35,000	SGF	25,000	SGF
Renovation of Santa Fe Prepare Santa Fe Computer Areas	726,250	PCF	726,250*	
480,600	SGF	480,600*		
Redevelop Printing Plant Site	213,005	SGF	213,005	BG
Relocate Cooling Towers — S.O.B.	100,000	SBD	100,000	SBD
Roof Repairs — S.O.B.	150,000	SBD	150,000	SBD
Capitol Complex Parking — Planning	100,000	BG	—	—
Transformer Replacement	26,400	SBD	26,400	SBD
Resurface Parking Lot No. 2	86,504	BG	—	—
Cedar Crest Capital Improve- ments	45,000	SGF	—	—
Interior Repairs and Renova- tions — Statehouse	—	—	127,511	SGF
TOTAL	<u>\$2,312,759</u>		<u>\$2,173,766</u>	
<u>Funding</u>				
(SGF) State General Fund	\$ 948,605		\$ 783,111	
(PCF) Property Contingency Fund	726,250		726,250*	
(BG) Buildings and Grounds Fund	186,504		213,005	
(SBD) State Buildings Depreciation Fund	451,400		451,400	

\* Pending.

11. As a technical matter the Subcommittee notes that several of its FY 1985 recommendations have impact upon reappropriations to FY 1986. These reappropriations will appear in H.B. 2134.
12. In summary the FY 1986 operating budget recommended by the Subcommittee would be a 4.5 percent increase above the revised FY 1985 recommendation. The comparable State General Fund increase is 3.4 percent. The Subcommittee's recommendations decrease State General Fund expenditures by \$148,838 in FY 1985 and \$364,351 in FY 1986. Additionally, the Subcommittee's recommendations concerning the non-reportable budget increase FY 1986 General Fund revenue by \$2,500,000, reduce General Fund obligations by \$1,936,098, for a combined total of



\$4,436,098. The combined FY 1986 revenue and expenditure reduction measures recommended by the Subcommittee enhance the General Fund by \$4,800,449.

Rep. Rochelle Chronister  
Representative Rochelle Chronister  
Subcommittee Chairman

Bill Bunten  
Representative Bill Bunten

Lee Hamm  
Representative Lee Hamm

David Heinemann  
Representative David Heinemann

Don Maaney  
Representative Don Maaney

3/4/85  
minutes


DRAFT BILL NO. \_\_\_\_\_

For Consideration by Committee on Ways and Means

AN ACT concerning allowances for official travel; amending K.S.A. 75-3203 and repealing the existing sections; also repealing K.S.A. 75-3203b.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 75-3203 is hereby amended to read as follows: 75-3203. (a) Except as otherwise provided in this section, wherever in the statutes of the state of Kansas any mileage is allowed to any public official of the state or any of the municipal subdivisions thereof, or to witnesses, jurors or other persons, the rate thereof shall be in the applicable amount fixed and established by the secretary of administration by rules and regulations adopted under K.S.A. 75-3203a and amendments thereto for each mile actually and necessarily traveled, by way of the most direct route by privately owned conveyance for official purposes, and no mileage in excess of such amount for each mile actually and necessarily traveled, regardless of the number of passengers, shall be paid or taxed as costs in any case. The governing body of any county, city or school district may prescribe a rate different from that provided for in this section as to officers and employees of such county, city or school district. If a different rate is not prescribed by the governing body of a county, city or school district, the rate established by the secretary of administration shall be the rate applicable to officers and employees of such county, city or school district. Only one mileage allowance at the rate fixed by the secretary per mile or the rate prescribed by the governing body of a county, city or school district for officers and employees of such county, city or school district is authorized for the use of a privately owned conveyance in official travel

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and no claim shall be presented for mileage traveled as a passenger in a privately owned conveyance in which the mileage allowance is claimed by the owner or operator. Privately owned conveyances shall include, but not be limited to automobiles, limousines, station wagons, airplanes, airbuses, and helicopters but shall not be deemed to include any conveyances offered publicly for temporary and occasional hire on a trip basis by a traveler including those normally intended to be operated by the traveler if their use has been authorized under appropriate statutes or rules and regulations governing official travel. The rate prescribed by this act shall be construed to cover all costs related to the use of privately owned conveyances including but not limited to gas, oil, tires, repairs, insurance, license fees, ~~bridge---tolls,---parking---meter--fees--and--parking--costs~~ and depreciation costs. ~~Storage--(parking)~~ Parking charges ~~at--any commercial-transportation-terminal-and,~~ turnpike tolls and bridge tolls may be allowed in addition to the mileage allowance provided herein. This act shall not be construed to repeal any provision of any existing statute as to the method of computing mileage, but shall relate solely to the amount to be charged as mileage. The secretary of administration shall adopt rules and regulations as provided in K.S.A. 75-3706 and amendments thereto to govern official travel.

(b) Notwithstanding anything in this section, exceptions to the same may be made in any other statute or in any appropriation act, and all such exceptions heretofore made shall be valid.

Sec. 2. K.S.A. 75-3203 and 75-3203b are hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.