

MINUTES OF THE Senate COMMITTEE ON Governmental Organization

The meeting was called to order by Senator Vidricksen at
Chairperson

1:30 ~~xxx~~ p.m. on January 28, 1985 in room 531N of the Capitol.

All members were present except:

Committee staff present:

Julian Efird - Research
Bruce Kinzie - Revisor

Conferees appearing before the committee:

Senator Vidricksen called the meeting to order and briefly explained the purpose and duties of the Committee.

The Research Department distributed a memorandum and gave a review of Sunset Law and Agencies scheduled for abolition. There are 5 entities scheduled for review this session. (Exhibit A)

The Chairman called for questions and an inquiry was raised concerning the need for an increase in funds for the Department of Human Resources. A response was given by Larry Wolgast of that Department. It was also stated that the Committee will be studying the Department of Human Resources and the Department of Economic Development in depth within the next two weeks.

A bill request was presented by Jamie Schwartz of the Department of Economic Development for the reorganization of the KDED. The Chairman instructed the Revisor to prepare said bill for Committee review.

A motion to approve the minutes of the January 17 meeting was made by Senator Frey. This was seconded by Senator Gaines and motion carried.

The meeting was adjourned.

MEMORANDUM

January 24, 1985

TO: Senate Committee on Governmental Organization
FROM: Kansas Legislative Research Department
RE: Review of Sunset Law and Agencies Scheduled for Abolition

The Kansas Sunset Law provides for the abolition on July 1, 1985, of the following agencies and offices, but also allows one year thereafter for the entities to conclude their business:

Department and Office of the Commissioner of Insurance
Office of the State Treasurer
Pooled Money Investment Board
Department and Office of Secretary of Economic Development
Department and Office of Secretary of Human Resources

Kansas Sunset Law

The Kansas Sunset Law provides that any state agency or office subject to abolition may be continued in existence or reestablished by act of the Legislature for a period not to exceed eight years. Performance audits of agencies scheduled for abolition are not required, but the Legislative Post Audit Committee may direct the Post Auditor to review any of the programs, duties or functions of any agency or office. After such audits are completed and subsequent to their approval by the Legislative Post Audit Committee, copies are made available to other legislators. The Legislative Post Audit Committee may introduce bills relative to the post audit recommendations and the President of the Senate and Speaker of the House may refer the performance audits to specific committees for further study.

During the Session, a committee of reference in each house (historically, the Committee on Governmental Organization) must hold a public hearing on the proposed abolition, continuation or reestablishment of agencies and offices scheduled for sunset. The committees of reference hear testimony from the public, the state agency or officers involved, and other appropriate state officers. Such committees of reference may consider performance audits if available.

The state agency and officers involved are charged with the burden of demonstrating a public need for continued existence and for identifying any needed changes in the agency or office or the applicable enabling statutes which would increase the efficiency and effectiveness of program administration or operation. Other factors to be considered by the committees of reference include whether the absence of an agency or program would significantly harm or endanger the public; whether the exercise of police powers and protection of the public is reasonable; whether less restrictive regulation could adequately protect the public; whether the regulation or operation of an agency or program increases the cost of goods and services; whether the increased cost is more harmful to the public than harm which would result from no

regulation; whether the regulatory or administrative process solely protects the public interests; and whether the purposes of the agency or program can be accomplished more efficiently, effectively, and economically.

Agencies to be Reviewed

The House Committee on Governmental Organization will initiate review of and introduce legislation pertaining to the Department and Office of Commissioner of Insurance, the Office of the State Treasurer, and the Pooled Money Investment Board. The Senate Committee on Governmental Organization will initiate review of and introduce legislation pertaining to the Department and Office of Secretary of Economic Development and the Department and Office of Secretary of Human Resources.

Economic Development. The Department and Office of the Secretary are established by K.S.A. 74-5002 et seq. By statute, the agency is divided into four divisions, and based upon statutory authority, the Secretary has established a fifth division for administration. The current organizational structure includes the Kansas Advanced Technology Commission established in 1983 and placed within the agency:

- Division of Administration (K.S.A. 74-5014)
- Division of Development (K.S.A. 74-5008a)
- Division of Planning and Community Development (K.S.A. 74-5008c)
- Division of Minority Business Enterprise (K.S.A. 74-5010a)
- Division of Travel and Tourism (K.S.A. 74-5032)
- Kansas Advanced Technology Commission (K.S.A. 74-5034)

The Department's program budget approved by the 1984 Legislature includes six programs for FY 1985 (which ends June 30, 1985):

- General Administration
- Industrial Development
- Housing
- Travel and Tourism
- Minority Business
- Planning and Community Development

The agency is proposing a reorganization to be effective in FY 1986. The agency's requested budget and the Governor's recommendations for FY 1986 are based upon the proposed reorganization which includes the following units:

- Division of Administration
- Division of Industrial Development
- Division of Community Development
- Division of Travel, Tourism and Film Services
- Division of Small Business Development
- Office of Minority Business Affairs
- Office of Advanced Technology

The Department's proposed FY 1986 budget includes the new organizational structure which corresponds to the program structure of the agency:

General Administration
Industrial Development
Community Development
Small Business Development
Travel, Tourism and Film Services
Office of Minority Business
Office of Advanced Technology

Actual expenditures for FY 1984 and the Governor's recommended expenditures for FY 1985 and 1986 are presented below. The FY 1985 and 1986 expenditures include the federally funded Small Cities Community Development Block Grant which accounts for the dramatic increase in agency spending. Also shown are the staffing levels for the agency.

	<u>Actual FY 1984</u>	<u>Gov. Rec. FY 1985</u>	<u>Gov. Rec. FY 1986</u>
All Funds	\$4,634,038	\$22,684,464	\$23,237,150
State General Fund	2,815,679	3,636,047	4,179,173
F.T.E. Positions	46.5	67.0	73.0

The agency's current FY 1985 and proposed FY 1986 organizational charts are shown in Supplement A and B.

Human Resources. The Department and Office of the Secretary are established by K.S.A. 77-5701 et seq. By statute, the agency is divided into four divisions, and based upon statutory authority, the Secretary has established a division for staff services. The current organizational structure includes several advisory boards, commissions, and committees which by statute are included in the agency. The Kansas Soldiers' Home is loosely tied to the agency because of the appointing authority exercised by the Veterans' Commission and the Department in certain personnel matters.

Division of Staff Services (K.S.A. 75-5723)
Division of Employment (K.S.A. 75-5705)
Division of Labor-Management Relations (K.S.A. 75-5710)
Division of Workers' Compensation (K.S.A. 75-5708)
Division of Employment Standards (K.S.A. 75-5714)
Kansas Veterans' Commission (K.S.A. 75-5719)
Kansas Soldiers' Home (K.S.A. 75-5719)
Agricultural Labor Relations Board (K.S.A. 75-5712)
Public Employees Labor Relations Board (K.S.A. 75-5713)
Advisory Committee on Mexican American Affairs (K.S.A. 75-5716)
Advisory Committee on Employment of the Handicapped (K.S.A. 75-6701)

The Department's program budget approved by the 1984 Legislature includes ten programs for FY 1985 (which ends June 30, 1985):

Administration and Staff Services
Unemployment Insurance Services
Job Training Partnership Act
Industrial Safety
Labor Relations/Employment Standards
Special Services
Veterans' Services
Employment Services
Workers' Compensation Services
CETA Services

The Department's proposed FY 1986 program budget includes several changes in the program structure:

Administration and Support Services
Unemployment Insurance Services
Job Training Partnership Act
Industrial Safety and Health
Labor Relations/Employment Standards
Veterans' Services
Employment Services
Workers' Compensation Services
Employment Security Systems Institute

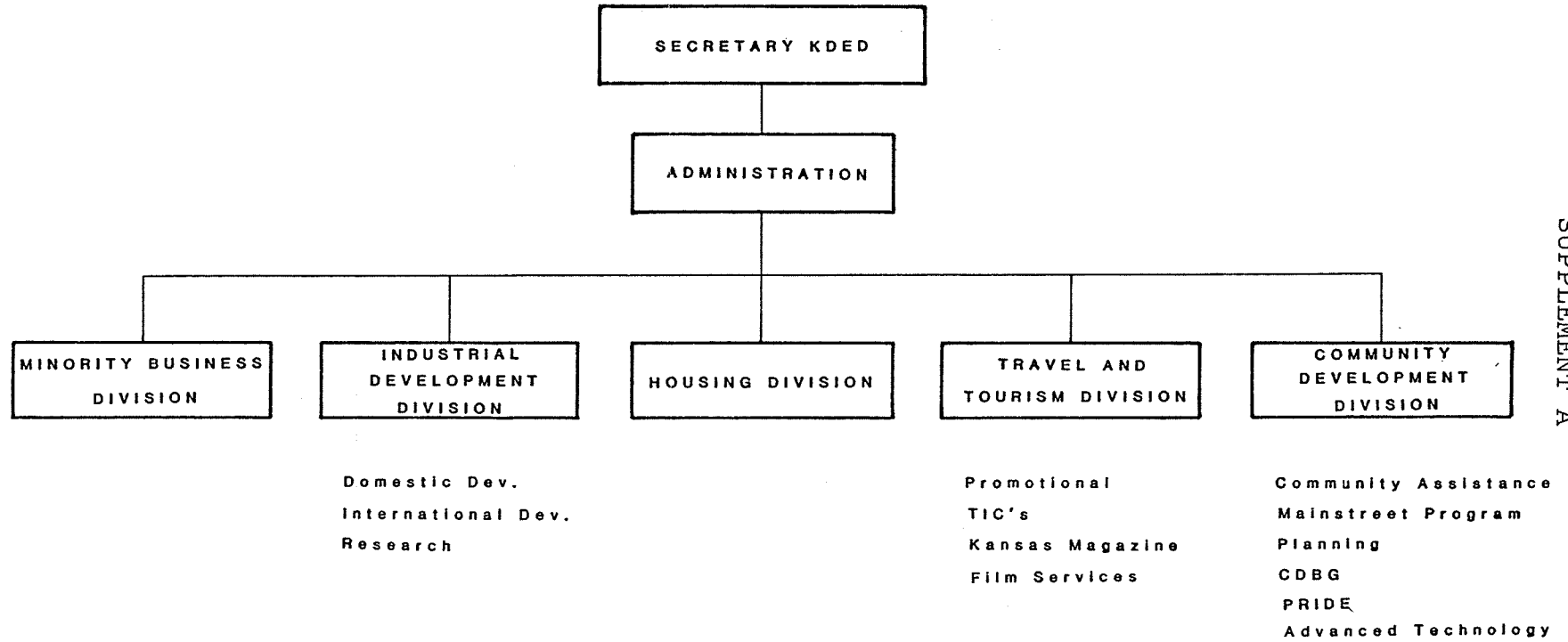
Actual expenditures for FY 1984 and the Governor's recommended expenditures for FY 1985 and 1986 are presented below. The FY 1985 and 1986 expenditures differ primarily because of the higher estimated unemployment insurance benefits to be paid in FY 1986. The increase of FY 1985 over FY 1984 also may be explained in terms of increased expenditures for unemployment benefits. Also shown are the staffing levels for the agency.

	<u>Actual</u> <u>FY 1984</u>	<u>Gov. Rec.</u> <u>FY 1985</u>	<u>Gov. Rec.</u> <u>FY 1986</u>
All Funds	\$188,909,202	\$198,967,135	\$226,433,671
State General Fund	2,155,939	2,366,250	2,476,768
F.T.E. Positions	1,011.7	1,051.5	1,066.5

The agency's current FY 1985 and proposed FY 1986 organizational charts are shown in Supplement C and D.

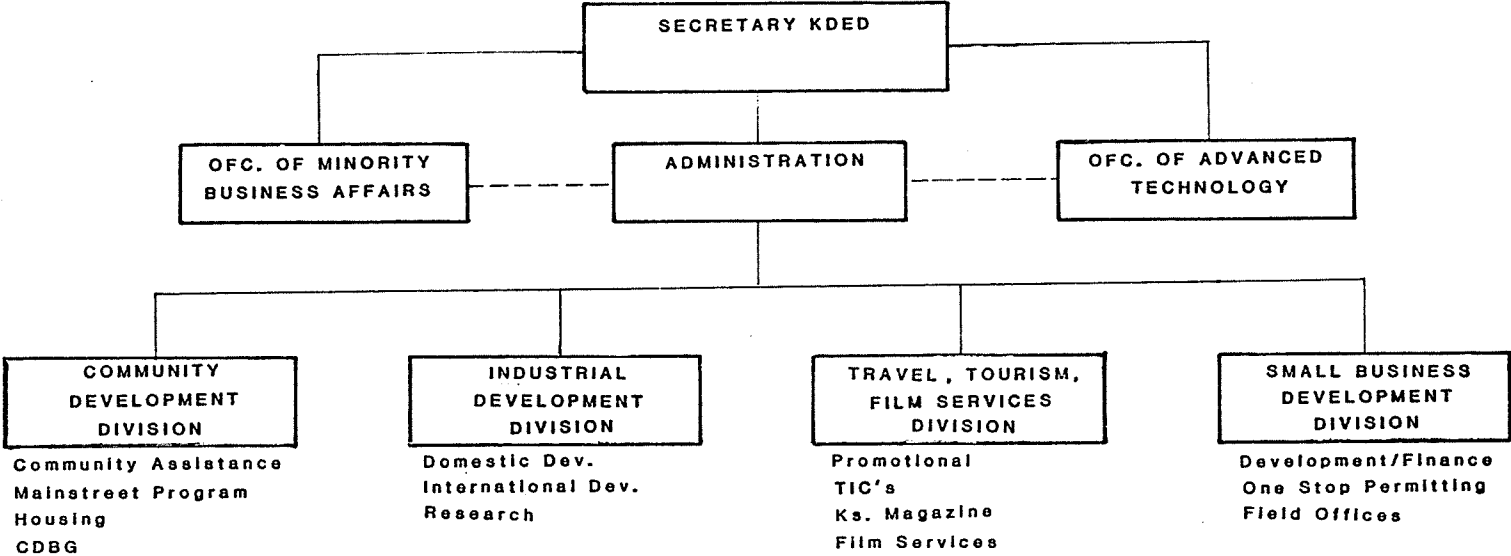
KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT

FISCAL YEAR 1985

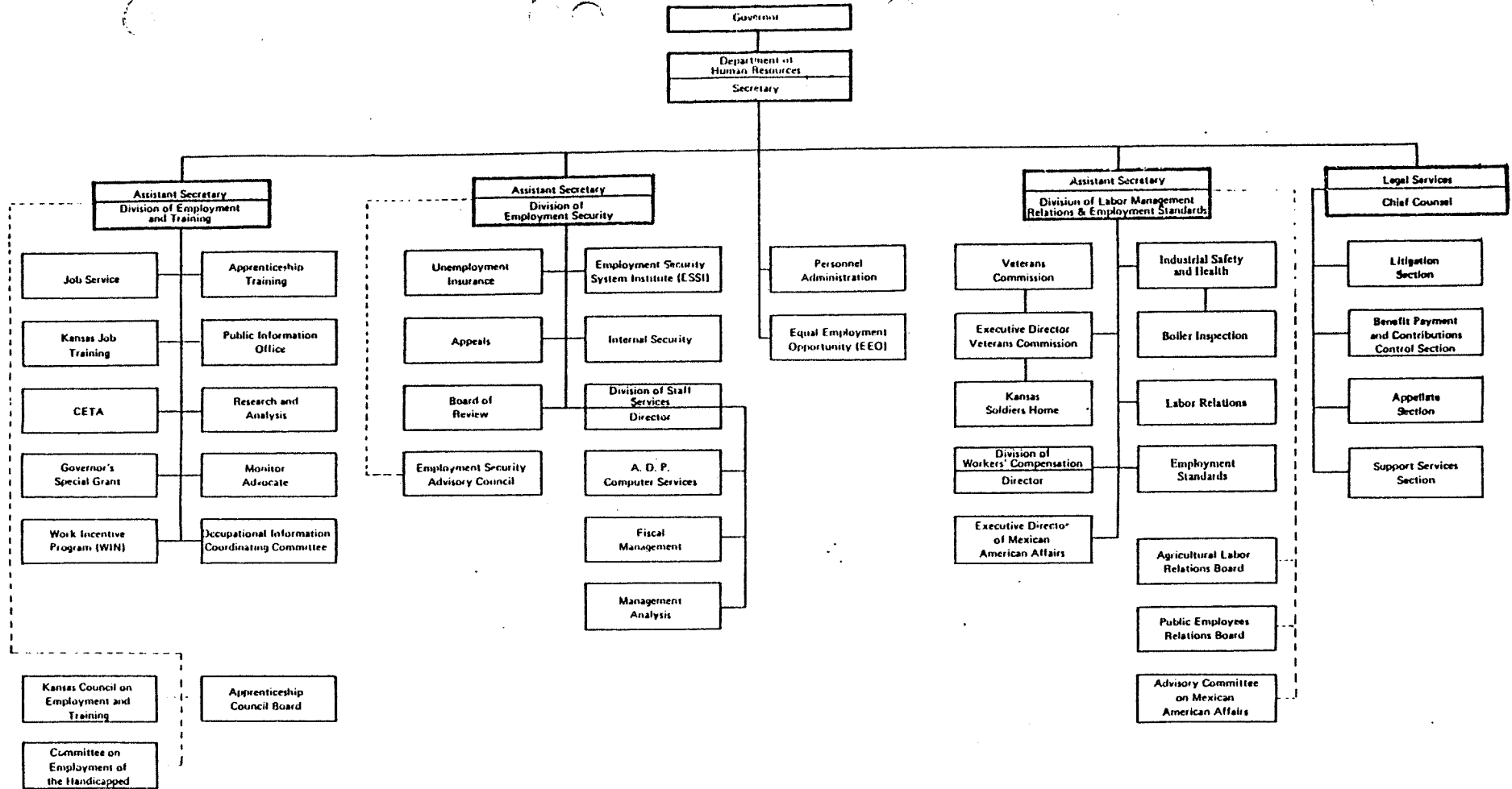


SUPPLEMENT A

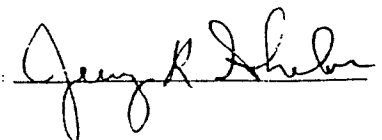
DEPARTMENT OF ECONOMIC DEVELOPMENT



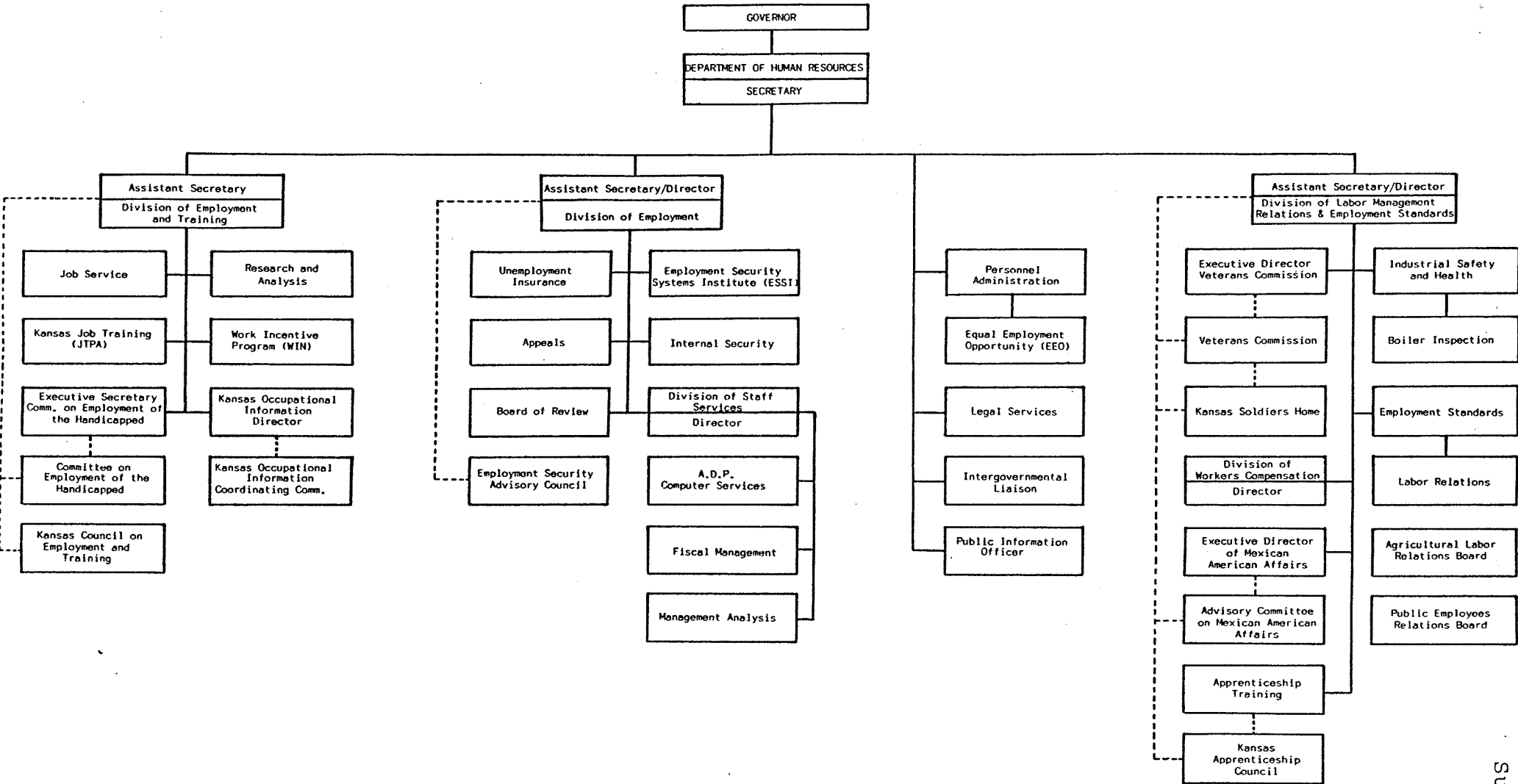
ORGANIZATIONAL CHART
Kansas Department of Human Resources



SUPPLEMENT C

APPROVED BY: 

ORGANIZATIONAL CHART
 Kansas Department of Human Resources



APPROVED BY:

Larry E. Wolejant

JANUARY, 1985