

Approved

Thomas F. Walker
Date 1-23-90

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Representative Thomas F. Walker at
Chairperson

9:00 a.m./p.m. on Friday, January 19, 1990 in room 522-S of the Capitol.

All members were present except:

Representative Brown - Excused
Representative McClure - Excused

Committee staff present:

Avis Swartzman - Revisor
Carolyn Rampey - Legislative Research
Julian Efird - Legislative Research
Diane Duffy - Legislative Research
Jackie Breymeyer - Committee Secretary
Conferees appearing before the committee:

The meeting of the House Governmental Organization Committee was called to order by Representative Thomas F. Walker, Chairman. He stated that HB 2660 - certified public accountants and HB 2667 - relating to juveniles, had been assigned to the Governmental Organization Committee. He asked Ms. Duffy to continue with her presentation.

Ms. Duffy began by answering some of the committee's questions. Of the 933 full time employees of the Department of Administration, 852 are classified, 28 unclassified, and 53 employees in the printing department are a bargaining unit, or union. The State Printer used to be elected, but not now. With regard to the liaison question, there is one Topeka director at a salary of \$63,739. The Assistant Director, Washington, D.C. salary is \$35,715. There is no job description readily available for these positions.

Ms. Duffy distributed an attachment dealing with the Setoff Program's Summary of Collections by Agency. Ms. Duffy explained that setoff accounts are those that agencies request the Setoff Program help collect; write-off accounts are those which the agencies have given up on and are considered to be uncollectable. A list of agencies with a legend of debt types was shown on the second page of the attachment. The last page of the attachment gave a summary of the number of debtors and amount of debts in the setoff account processing system. (Attachment 1)

Ms. Duffy said that a Mr. Conroy was updating a memo with regard to accounting procedures at the University of Kansas Medical Center. This will be made available to the Committee later.

Ms. Duffy reiterated background about the Special Committee on Ways and Means/Appropriations concern regarding the Department of Administration's computer operations. During the 1989 session, the legislature removed the line items for DISC in the Department's appropriation bill, but the line items were restored in the Omnibus Appropriation bill. At this time interim study was requested to provide further legislative oversight and review of the Department, particular with regard to DISC. The interim committee chose to review four areas: the circumstances surrounding the acquisition of KFIS; policy alternatives relating to the Regents' institutions use of the centralized personnel/payroll system component of KFIS; implementation of the employee dependent care assistance program and direct deposit of employee paychecks and policies and procedures for the procurement of computer equipment and services. Many conferees appeared representing the several divisions of the Department, as well as representatives of various data and computer facilities. Reasons given on why administration decided to make major system changes included: modernization of the state's central accounting system; the KIPPS software system is difficult to update and maintain; the need to automate procurement information and the difficulty in hiring technical staff with experience on UNISYS systems. Ms. Duffy stated that Purchasing has never been automated.

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 GOVERNMENTAL ORGANIZATION,

room 522-S Statehouse, at 9:00 a.m./p.m. on Friday, January 19, 1990

Of the four vendors considered, the procurement negotiating committee selected the proposal of Peat, Marwick, Main and Company in August of 1988. Contracts were approved in October of 1988.

The new KFIS system replaces the existing CASK accounting system, KIPPS personnel/payroll system and automates state purchasing. The ADPIKS acronym stands for Advanced Purchasing and Inventory Control System. KFIS involves the phase-out of the UNISYS mainframe computer. UNISYS will be used until the new software systems are operational on IBM compatible hardware.

Ms. Duffy said the February 1990 date for implementation of KFIS software accounting system has been moved to April 2. As far as she knows the other dates of Payroll/Personnel, January 1991; and Purchasing and Fixed Assets, July, 1991, will be met.

The contract with Peat, Marwick, Main and Company is for \$3,688,500 and is financed over a five-year period.

Ms. Duffy told of the Regents' institutions withdrawal from KIPPS. In November 1983, while installing a Regents institution on the KIPPS payroll, problems were encountered which resulted in late and some missing checks. During the 1984 legislative session funds were approved for the withdrawal of the Regents' institutions from KIPPS. Only the Kansas College of Technology uses the centralized personnel/payroll system; the other Regents' institutions use individual campus-based personnel processing systems.

Ms. Duffy said she would get a breakdown of the Peat, Marwick contract costs by item for such things as software, maintenance, etc. She also stated that Jerry Merryman is the state's project manager.

The Regents' Task Force gave its response in a report regarding personnel/payroll. In the future it will be desirable for the Regents' institutions to use the same personnel software for processing; it is too early to determine whether any of the Regents' institutions should use it at this time and the Department of Administration is in a better position to know of its specific data needs than are the Regents.

The last item in Ms. Duffy's presentation was SB 435; prescribing the implementation of certain programs of the department of administration. This bill directed the director of accounts and reports to develop and authorize a payroll remittance plan that would allow the salaries and wages of state officers or employees to be deposited directly in banks, savings and loan association or credit unions. This would be subject to written approval of the employee. Currently, this program has been implemented only in the State Board of Agriculture.

The bill also requires the Secretary of Administration to establish and administer a state employee dependent care assistance program. SB 435 deletes the current statutory language which makes the implementation of the program subject to secretarial approval.

The bill is currently in Ways and Means Committee.

Due to the fact that the House had a 10:00 a.m. session, the Chairman adjourned the meeting at 9:35 a.m.

RECEIVED

JAN 18 1990

Secretary of Administration

MEMORANDUM

TO: Sherry Brown, Fiscal Officer
Room 263-E, Statehouse

FROM: James R. Cobler, Director *JRC*
Division of Accounts and Reports

SUBJECT: Setoff Program's Summary of Collections by Agency

DATE: January 18, 1990

Per your request, attached is a copy of "Summary of Collection by Agency" of the Setoff Program for FY89 (Attachment 1). I have added a column at the far right which shows, in conjunction with the legend at the bottom, the main types of debts being collected. The percentage breakdowns of each of the debt types to the Total(s) are not readily available.

As you know, "setoff accounts" and "write-off accounts" are different. Setoff accounts are those accounts that agencies request the Setoff Program help collect; a 15 percent fee is charged for the collection of these accounts. On the other hand, write-off accounts are those accounts that the agencies have given up on and are considered by them to be uncollectible. When the statutory requirements have been met to classify such uncollectible accounts as write-off accounts, they are assigned to the Setoff Program, and all subsequent collections on them--either by the agency or the Setoff Program--belong to the Department of Administration. The debtor file (against which substantially all payments-in-process are compared) contains both write-off accounts and setoff accounts.

Attachment 2 is a summary of the accounts in the debtor file as of June 30, 1988 and as of June 30, 1989. Note that the number of accounts has grown from 81,068 to 104,595 (about 29%) from the end of FY88 to the end of FY89.

Please let me know if you need more information.

Attachments

#1
Y.O.
1/19/90

Setoff Program
Summary of Collection by Agency
Fiscal Year 1989

Agency Name	Setoff	Writeoff	Total	Debt Types
Department of Administration	\$ -0-	\$ 25.00	\$ 25.00	
Fort Hays State University	15,966.00	153.00	16,119.00	T, B, P, L
Department of Human Resources	443,649.00	1,795.00	445,444.00	U
Insurance Department	30.00	-0-	30.00	
Kansas Neurological Institute	1,169.00	148.00	1,317.00	M
Ks. Public Employees Retirement System	362.00	-0-	362.00	
Kansas State University	12,392.00	3,397.00	15,789.00	T, B, P, L
Emporia State University	21,027.00	64.00	21,091.00	T, B, P, L
Pittsburg State University	27,665.00	1,036.00	28,701.00	T, B, P, L
Larned State Hospital	510.00	-0-	510.00	M
Osawatomie State Hospital	24,435.00	957.00	25,392.00	M
Parsons State Hospital	270.00	13.00	283.00	M
Rainbow Mental Health Facility	2,724.00	-0-	2,724.00	M
Department of Revenue	16,317.00	2,772.00	19,089.00	I, S
Dept. of Social & Rehabilitation	1,808,945.00	105.00	1,809,050.00	C, F
Kansas Technical Institute	237.00	-0-	237.00	T, B, P, L
Topeka State Hospital	10,105.00	245.00	10,350.00	M
University of Kansas	25,956.00	6,162.00	32,118.00	T, B, P, L
Univ. of Kansas Medical Center	324,031.00	208,515.00	532,546.00	M
Ks. Dept. of Wildlife & Parks	6.00	-0-	6.00	
Wichita State University	20,703.00	3,283.00	23,986.00	T, B, P, L
Totals	<u>\$ 2,756,499.00</u>	<u>\$ 228,670.00</u>	<u>\$ 2,985,169.00</u>	

Legend of Debt Types

T - Tuition
 B - Books
 P - Parking Fines
 L - Student Loans
 M - Medical Services
 U - Overpayments of Unemployment Compensation
 C - Child Support
 F - Fraud Recovery
 I - Income Taxes
 S - Sales Tax

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Summary of Number of Debtors and
Amount of Debts in the Setoff Account Processing System

Agency Name	June 30, 1989		June 30, 1988		Inc/Dec No. of SSNs	Inc/Dec Amount
	No. of SSNs	Amount	No. of SSNs	Amount		
Writeoffs	24,406	\$ 14,859,717.30	16,569	\$ 9,494,984.46	7,837	\$ 5,364,732.84
Adjutant General	1	888.00	1	888.00	0	0.00
Board of Agriculture	2	180.00	2	180.00	0	0.00
Attorney General	11	58,733.42	6	34,357.22	5	24,376.20
Corporation Commission	1	543.24	1	543.24	0	0.00
Department of Administration	7	1,893.34	5	1,377.87	2	515.47
Fort Hays State University	403	308,691.81	414	280,483.70	<11>	28,208.11
Grain Inspection	7	2,959.47	0	0.00	7	2,959.47
Department of Transportation	2	1,312.25	2	1,312.35	0	<0.10>
Department of Human Resources	12,559	6,499,125.19	13,126	6,091,449.58	<567>	407,675.61
Youth Center of Topeka	0	0.00	0	0.00	0	0.00
Insurance Department	9	1,968.74	0	0.00	9	1,968.74
Kansas Neurological Institute	34	59,485.34	26	33,853.60	8	25,631.74
Ks. Public Employees Retirement System	8	2,478.48	11	7,533.08	<3>	<5,054.60>
Kansas State University	1,043	416,374.53	772	412,427.76	271	3,946.77
Emporia State University	981	504,254.88	889	477,114.42	92	27,140.46
Pittsburg State University	713	687,617.42	781	782,661.70	<68>	<95,044.28>
Larned State Hospital	46	9,624.05	0	0.00	46	9,624.05
Osawatomie State Hospital	1,497	469,359.49	1,423	1,318,936.78	74	<849,577.29>
Parsons State Hospital	19	15,436.70	21	14,942.88	<2>	493.82
Rainbow Mental Health Facility	266	221,207.33	157	113,531.94	109	107,675.39
Department of Revenue	6,265	6,677,744.90	37	177,449.46	6,228	6,500,295.44
School for the Deaf	1	59.98	1	59.98	0	0.00
Dept. of Social & Rehabilitation Services						
Kansas Child Support	33,391	174,401,880.57	24,536	110,962,382.01	8,855	63,439,498.56
Foster Care	26	58,872.06	36	69,294.21	<10>	<10,422.15>
Interstate Child Support	2,880	17,065,750.02	2,062	20,489,339.91	818	<3,423,589.89>
Fraud and Recovery	3,831	5,596,014.96	3,608	4,837,739.83	223	758,275.13
Kansas Soldiers Home	29	126,728.88	31	128,620.76	<2>	<1,891.88>
Kansas College of Technology	24	4,151.14	26	3,462.48	<2>	688.66
Topeka State Hospital	333	494,250.10	159	127,416.23	174	366,833.87
Judicial Branch	1	318.92	1	318.92	0	0.00
University of Kansas	1,598	448,132.17	1,638	506,077.51	<40>	<57,945.34>
University of Kansas Medical Center	13,728	20,574,326.96	14,154	13,909,287.55	<426>	6,665,039.41
Kansas Department of Wildlife & Parks	3	3,220.13	2	2,485.13	1	735.00
Winfield State Hospital	1	476.69	0	0.00	1	476.69
Wichita State University	469	472,338.16	571	494,228.96	<102>	<21,890.80>
TOTAL	104,595	\$250,046,116.62	81,068	\$170,774,741.52	23,527	\$79,271,375.10

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