

Approved

Thomas F. Walker
Date 3-2-90

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 Wednesday, February 28, 1990 in room 522-S of the Capitol.

All members were present except:

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:

Representative David Miller
Art Griggs - Assistant Secretary of Administration
Ron Hein - UNISYS Corporation
Representative Rick Bowden
Connie Hubbell - State Board of Education
Norman Reynolds - Kansas Association of School Boards

Chairman Walker called the meeting to order. The first order of business was HB 2877 - acquisition of data equipment by state agencies

Representative David Miller thanked the committee for the opportunity to appear on the bill. Copies of his testimony were distributed. (Attachment 1) His testimony stated that the bill provides for a new budgeting process for computer acquisitions, the purpose of which is to bring some measure of accountability to the acquisition of computers and computer related products purchased with state funds.

Representative Miller brought several post-audit reports with him to show the seriousness of the problem. He stated he could cite four audits in three years. The only mechanism that he can see that is readily available to try in this situation is a full blown budgeting process that centers on computers. The current process used for authorizing major capital improvements for buildings would provide a useful model. HB 2877 is modeled after the current process for building acquisitions. This may seem strange but computer acquisitions can be more costly than building acquisitions and deserve at least as much attention. Representative Miller did not propose the creation of a new committee, but said he did not necessarily oppose the idea. He proposed the Legislative Budget Committee be directed to provide initial legislative overview of computer acquisitions. He does not think this would overburden the committee.

Representative Miller said he recognizes that some state agencies may feel that they should be exempt from such a practice, but he feels that all decisions which effect the expenditure of public dollars need close scrutiny. He is convinced that the best way to get a handle on these costs is for the agencies to submit detailed plans and justify those plans and also any changes made in those plans.

Representative Miller closed by stating that he hoped the bill would be reported favorably.

One of the committee members asked how much KBITS had spent before terminating that program. Julian Efird, Legislative Research, replied approximately three million dollars.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION,

room 522-S, Statehouse, at 9:00 a.m./p.m. on Wednesday, February 28, 1990

Art Griggs, Assistant Secretary of Administration, appeared on the bill. His testimony (Attachment 2) was distributed. Mr. Griggs' testimony reflected the recognition of legislative concerns regarding computer issues and the desire for increased oversight. The Department of Administration will be supporting the joint committee on governmental technology bill which will be heard Thursday, March 1, in the committee.

Several areas of concern were pointed out. The Legislative Budget Committee could become inundated with small dollar transactions. Some exception to the thirty-day provision would have to be made for emergency situations. The thirty-day waiting period, of itself, may not be desirable for all acquisitions. The July 1 date for submission of data processing budget estimates would mean the lack of actual data expenditures from the prior fiscal year. A different committee than Legislative Budget might be considered. Without a minimum dollar amount, small purchases by Regents Institutions may be cumbersome. Concerning Regents Institutions generally, the Department is not certain about striking the language in sections 3 and 4 that exempts them from much of DISC's oversight responsibility. The testimony ended with the statement that the preferable approach may be to put the information provided in HB 2877 into the joint committee on governmental technology if it is passed.

Ray Hauck, Director of Planning and Budget, Kansas Board of Regents, spoke to the bill. (Attachment 3). The Regents contention is that present statute contains sufficient administrative and legislative oversight of the Regents system. The side effects of HB 2877 outweigh its remedies.

Mr. Hauck went into the impact of sections 3 and 4 and then explained that they are not excluded from the provision of K.S.A. 75-4706 which requires the Secretary of Administration's approval of any purchase (or lease) of data processing hardware or software. HB 2877 would generate additional paperwork and procedural mechanisms. It is uncertain whether those mechanisms would improve legislative oversight of the computer acquisition process.

Ron Hein Unisys Corporation, addressed the bill and stated general support of the concept involved in HB 2877 as a tool to help the Legislature make the kinds of budgetary management decisions which are most properly

kept in the hands of elected policymakers. (Attachment 4) Mr. Hein distributed forms used by agencies wishing to acquire computer systems in Colorado. (Attachments 4a,b,c,and d)

Testimony from Dr. Lorne A. Phillips, Director, Division of Information Systems was distributed which stated as the bill is currently written, they see only negative consequences. (Attachment 5)

As there were no other conferees on the bill, the Chairman closed the hearing on HB 2877.

HCR 5042 - revise article 6 of the constitution

Representative Bowden explained the resolution that would call for a change in how members of the State Board of Education come to that position. (Attachment 6) Instead of being elected, they would be appointed by the governor, subject to Senate confirmation. Representative Bowden stated this was in no way a condemnation of the present Board or its members. Reasons given in support of the change included the time and expense involved in running a campaign, district size, personal and family sacrifice. Present election structure creates problems in reapportionment years. The "policitizing" of the office as a result of political re-election was mentioned.

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MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION,
room 522-S Statehouse, at 9:00 a.m./p.m. on Wednesday, February 28, 1990

Representative Bowden said there would still be local citizens control over local boards and policies. The State Board of Education should be an educational policy, program and direction setting body. It is the best method of selecting those individual who will be working to carry out the educational programs.

Representative Bowden answered a few questions of committee members regarding district size and the Board.

Connie Hubbell, Chairman, State Board of Education, appeared next on HCR 5042. She thanked the committee for the opportunity to appear. (Attachment 7)

Her testimony stated that the elective method of choosing board members provides a democratic means of obtaining members to represent the people and makes the board more accountable. It gives the ordinary citizen a direct contact when problems arise and ensures that all areas of the state are represented. The contention that better qualified people can be secured through appointment is not necessarily true, as is the assumption that appointment would remove the board from politics.

Ms. Hubbell ended her testimony by stressing the belief of her organization that an elected State Board would be more accountable to the people of Kansas.

Ms. Hubbell commented that an appointed official may not have the same commitment if he was only responsible to those that appointed him.

She stated that every current board member has an education background. The State Board is very active in educational issues and policies.

Paul Adams, Vice Chairman of the Board stated that there are four women and six men on the Board. The average Board age is 'fiftyish'.

Seeing no other conferees, the Chairman closed the hearing on HCR 5042.

HCR 5010 - revise article 6 of the constitution

Norman Reynolds, Kansas Association of School Boards, addressed this Resolution. (Attachment 8) HCR 5010 as he understands it, would remove the self-executing powers of the State Board of Education that are the result of a Supreme Court ruling on the wording changes in the 1966 constitutional amendment and would establish the State Board of Education powers as those delegated to the State Board by the legislature through statute. As his organization views the amendment, it corrects the situation that allows the State Board of Education to be the only executive branch agency that is not subject to the checks and balances that result from legislative oversight.

Mr. Reynolds answered a question on a vote on an issue that went down by a vote of 384,093 to 365,234.

Connie Hubbell, rose again to speak against HCR 5010. Her testimony contained the statement that, "amending the Constitution to reduce the State Board's self-executing authority is unnecessary and not in the best interest of education. Education is a very complex and difficult area to analyze." The State Board of Education feels that no changes need to be made in Article 6 of the Kansas Constitution. (Attachment 9)

David DePew, legislative oversite person who deals with vocational education, made a few general comments. He told of two situations in different states where the governor had removed all the appointed officials and got into great financial difficulties. Things turned around when he reappointed some of the prior appointees. The election of officials makes for consistent planning instead of year-to-year basis.

The Chairman closed the hearing on HCR 5010.

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MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION,
room 522-S, Statehouse, at 9:00 a.m./p.m. on Wednesday, February 28, 1990

The committee turned to HB 2617.

Representative Brown withdrew her motion to amend. Representative Gjerstad withdrew her second.

Representative Graeber moved to pass out HB 2617 favorably. Representative Sughrue gave a second to the motion.

In discussion, concerns about the constitutionality of the bill were raised. A proviso could be tacked on to an appropriations bill in place of this bill.

The committee wanted to know who had raised the question of constitutionality?

Avis, Revisor, had received a paper from A.J. Kotich, General Counsel, Department of Human Resources, which dealt with the doctrine of separation of powers. She stated that after she had read the memorandum she thought it had a pretty strong supporting case law to show the unconstitutionality of the bill. The Revisor stated that it has always been her philosophy that any bill is constitutional until the Court says it is not. If a challenge is brought, the court will ultimately rule on the constitutionality.

The chairman called for the vote.

The motion carried.

The Chairman was asked to draft a letter to the chairman of the Appropriations Committee asking for the proviso.

HB 2973 - employment security law

Representative D. Miller moved to amend HB 2973 on line 43 after the word of, insert "retailers, manufacturers, and small business". Representative Sughrue gave a second to the motion. The motion carried.

Representative Brown moved to amend HB 2973 in line 35 of the bill after the word "and" add, "would be composed of no more than 12 members". The motion carried.

Representative D. Miller moved to pass HB 2973 favorably as amended. Representative Brown gave a second to the motion.

The motion carried.

HB 2948 - real estate brokers and salespersons

One of the committee members stated he saw no purpose in the bill.

The Revisor said the peanut of the bill is the employee cannot sell product unless he owns 5% of the corporation. This bill takes away that qualification.

Representative Graeber moved to table HB 2948. Representative Turnbaugh gave a second to the motion. The motion carried.

The meeting was adjourned.

GUEST LIST

COMMITTEE: GOVERNMENTAL ORGANIZATION

DATE: FEBRUARY 28, 1990

NAME	ADDRESS	COMPANY/ORGANIZATION
Lois R. Phillips	TOPEKA	KDHE
Mike Burns	Topeka	KBOA
Ray Hauke	Topeka	Bd of Regents
Kathy Martin	Topeka	Secretary of State
Jerry Sloan	"	OJIA
Paul Adams	OSAGE CITY	St. Bd of Ed.
Connie Sheward	Topeka	SL Bd of Ed
Ron Hein	Topeka	Unisys
JANET STUBBS	Topeka	HRBK
M. T. Court	Topeka	IBM
Jerry T. Spence	Topeka	SRS
Cheryl Weber	Topeka	SRS
Marlene Reed	Leavenworth	KU
Sherry Brown	Topeka	D. of Admin
Karen Francis	Topeka	KAR
Julie Hein	Topeka	UNISYS
Norman Reynolds	Topeka	KVSB
Paula C. Israel	Leavenworth	
Ray Coles	Topeka	K-NEA
JUD GRANT	"	KCCI
Paul Wolfe	Topeka	KCOVE

DAVID G. MILLER
 REPRESENTATIVE, FORTY-THIRD DISTRICT
 DOUGLAS AND JOHNSON COUNTIES
 1312 FIR
 EUDORA, KANSAS 66025-9423



TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 CHAIRMAN: LEGISLATIVE POST AUDIT
 MEMBER: EDUCATION
 GOVERNMENTAL ORGANIZATION
 LEGISLATIVE, JUDICIAL AND
 CONGRESSIONAL APPORTIONMENT

Mr. Chairman and Members of the Committee:

Thank you for this opportunity for the hearing on HB 2877. This bill provides for a new specific budgeting process for computer acquisitions. The purpose is to bring some measure of accountability to the acquisition of computers and computer related products purchased with state funds.

I'm sure it is not a surprise to anyone since the acquisition of computers and related computer equipment has been a matter of some controversy and concern in state government for several years. I had the privilege of serving on the House Ways and Means Committee (now called Appropriations) for five years and chaired various sub-committees during that five-year period. One of the most controversial issues was computers and how we dealt with that technology. Frankly, I have concluded that the current process of review fails terribly. During the past year I have had the privilege of serving as chairman of the Legislative Post-Audit Committee and during that time the issue of computers was on the agenda often because it continues to be an important and costly issue for state government.

I need only to point out a few of the post-audit reports in the past few years to demonstrate that we do have a serious problem. I can cite four audits in the past three years.

It occurred to me that only mechanisms that is readily available to try to correct these situations is a full-blown budgeting process that centers on computers. It finally occurred to me that the current process we have for authorizing major capital improvements for buildings would provide a useful model. I have reproduced for you copies of KSA which outlines the processes by which buildings are authorized and approved. Ultimately, of course, all building projects have to be approved by the legislature, but there is a distinct, separate, auxiliary budgeting process that compliments the regular budgeting process and it provides close scrutiny of these building proposals.

The bill which I had prepared and which we are reviewing today, is modeled after our current process for acquisitions of building. You may think it's strange to do so, but I know that computer acquisitions can be much more costly than building acquisitions and I strongly believe that computer acquisitions deserve at least as much attention as building acquisitions.

There is one important difference. I did not propose creation of a new committee, although I would not necessarily oppose that idea. Rather I proposed that the legislative budget committee be directed to provide the initial legislative overview of computer acquisitions. This committee, which meets during the interim, would have individuals who have Ways and Means and Appropriations experience, I believe this committee would provide the legislature with important information in evaluating the appropriation decisions that will ultimately control computer acquisitions. I've served on the legislative budget committee and I am confident that the traditional work load of the committee would not be over-burdened by the

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addition of this responsibility.

I recognize that there will be some state agencies that feel that they should be exempt from such a practice. I must tell you I think that all the decisions which ultimately effect the expenditure of public dollars, need close scrutiny and I am hopeful that we can pass this bill in a form that will oblige agencies to be accountable from the outset for the expenditure of public resources that they propose for computer acquisition.

I am convinced that our best opportunity to get a handle on these costs is to require the agencies to submit detailed plans at the outset and justify those plans and justify any changes in those plans as that process works. I think it will be important to have one on-going committee with that responsibility and I am hopeful that you report this bill favorably.

75-3717b. Capital improvement budget estimates; contents; submission; report by state building advisory commission; five-year programs and plans; form and content. (a) Whenever a state agency proposes a capital improvement project for the construction of a building or for major repairs or improvements to a building, such state agency shall prepare a capital improvement budget estimate to be submitted to the division of the budget in such form as may be required by the director of the budget and this section. Such state agency shall prepare and include as a part of such capital improvement budget estimate a written program statement describing the project. Such program statement shall: (1) Include a detailed justification for the project including an analysis of the programs, activities and other needs and intended uses for the additional or improved space and an analysis of the alternative means by which such space needs and uses could be satisfied; (2) request appropriations for the project in the three phases of preliminary planning, final planning and construction; (3) describe in detail each such phase of the project; and (4) include cost estimates for land, site surveys, soil investigations, equipment, buildings or major repairs or improvements to buildings and other items necessary for the project.

(b) Not later than July 1 of each year, such state agency shall submit to the division of the budget a copy of such capital improvement budget estimate, and all amendments and revisions thereof, and at the same time such state agency shall submit copies of such capital improvement budget estimate, and all amendments and revisions thereof, directly to the state building advisory commission and to the joint committee on state building construction.

(c) On or before November 15 each year, the state building advisory commission shall report and make recommendations on each capital improvement budget estimate received pursuant to this section regarding the project costs, projected scheduling of funding for such costs, and such other matters as are deemed appropriate by the state building advisory commission, to: (1) The division of the budget; (2) the joint committee on state building construction; and (3) the legislative research department.

(d) Not later than July 1 of each year, each state agency submitting such budget estimates shall prepare and submit to the division of the budget, to the state building advisory com-

mission and to the joint committee on state building construction copies of a five-year capital improvement program and facilities plan which shall set forth the current and future space needs and utilization plans for the next five ensuing fiscal years for that state agency in such form and containing such additional information as prescribed by the secretary of administration.

History: L. 1978, ch. 337, § 9; L. 1979, ch. 280, § 2; May 17.

Cross References to Related Sections:

Annual building needs report by state board of regents, see 76-6b03.

State building advisory commission, see 75-3780 et seq.

Joint committee on state building construction, see 46-1701.

Assistance in preparing written program statements for projects, see 75-3742.

75-3717c. College of veterinary medicine at Kansas state university separate state agency for purpose of preparation of governor's budget report and related legislative measures; title for such purpose. For the purpose of preparation of the governor's budget report and related legislative measure or measures for submission to the legislature, the college of veterinary medicine at Kansas state university shall be considered a separate state agency and shall be titled for such purpose as the "Kansas State University Veterinary Medical Center." The budget estimates and requests of such college shall be presented as a state agency separate from Kansas state university, and such separation shall be maintained in the budget documents and reports prepared by the director of the budget and the governor, or either of them, including all related legislative reports and measures submitted to the legislature.

History: L. 1978, ch. 21, § 20; July 1.

75-3718. Continuous budget planning; revision; notice and hearing. (a) The director of the budget shall have in continuous process and revision a tentative budget for the coming years, in the light of direct studies of the operations, plans and needs of the state agencies and of the existing and prospective sources of revenue. After summarizing estimates of funds which may be available and the estimated requirements for the several state agencies, the director shall cause them to be reviewed in relation to the general financial condition and needs of the state and shall cause to be made such further inquiries and investigations, and

STATE OF KANSAS



DEPARTMENT OF ADMINISTRATION

State Capitol
Topeka 66612-1572
(913) 296-3011

Shelby Smith, *Secretary*

February 28, 1990

M E M O R A N D U M

TO: House Governmental Organization Committee

FROM: Arthur H. Griggs *AG*
Assistant Secretary of Administration

SUBJECT: House Bill 2877

We recognize the Legislative concerns on computer issues and your desire for increased oversight. We share the goal of better planning and better communications between the executive and legislative branches. We will be supporting the joint committee on governmental technology committee bill which you will hear tomorrow. There are several areas of concern on H.B. 2877 that we point out for your consideration:

Minimum Dollar Amounts - Section 1 requires that any state agency acquisition of data processing equipment or programs be presented to the legislative budget committee thirty days in advance of the acquisition. Without some minimum dollar limit, the budget committee will be inundated with small dollar transactions.

Repairs and Emergency Purchases - Some exception to the thirty day provision should be considered for equipment needed to keep existing systems running or to address emergency situations. Reporting could still be required.

Thirty Day Waiting Period - The thirty day waiting period may not be desirable for all acquisitions. The thirty day waiting period could be limited to certain large dollar items, depending on your objectives.

Budget Submission Timing - Section 2 requires the submission of data processing budget estimates by July 1 of each year. Consideration should be given to making the data processing budgets a part of the normal budget submissions (September). The July 1 date in the bill

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means state agencies would not have actual expenditure data for the prior fiscal year. Making it part of the regular budget process also means agencies will have to prioritize their data processing budgets with other expenditure requests. Further, the Legislature may want to consider a mandate that agencies submit standardized cost estimates in their budget submissions.

Legislative Budget Committee - The oversight of the overall state budget is an enormous undertaking. Similarly, oversight of computer related projects and expenditures is a large undertaking. You may wish to consider dividing these two tasks. In the event the joint committee on government technology bill you will hear tomorrow is enacted, that committee may be a better group for the computer oversight function.

Regents Institutions - Specifications - Section 4 requires DISC to prepare specifications for all data processing equipment, programs and systems. Without some minimum dollar amount, small purchases by Regents institutions may be more cumbersome than necessary.

Regents Institutions - Generally - We are not certain about striking the language in Sections 3 and 4 that currently exempts the Regents from much of DISC's oversight responsibility. Given the fact that they are not users of DISC services, it may be appropriate to consider some other form of oversight for the universities. It seems that much of the language in Section 3 that establishes DISC's authority could only be appropriately applied to agencies that are using DISC's central processor.

In closing, the subjects of computer projects and expenditures merit improved communications, management and oversight. None of us may clearly know the best way to achieve this goal. In the event the joint committee on governmental technology bill is enacted, the joint committee could clearly request the information to be provided under H.B. 2877 and determine the level of detail they find useful. This approach may be preferable to the voluminous detail required under this bill.

Hopefully the above comments may be of some assistance in your deliberations.

AHG:dp
7798A

COMMENTS CONCERNING HOUSE BILL NO. 2877
TO
HOUSE GOVERNMENTAL ORGANIZATION COMMITTEE

BY
RAY HAUKE, DIRECTOR OF PLANNING AND BUDGET
KANSAS BOARD OF REGENTS

February 28, 1990

On Monday, when I contacted your Committee Secretary, requesting permission to appear concerning H.B. 2877, her first question was whether I was a proponent or opponent of the bill. This question forced a clear yes/no decision, which I had not considered prior to the call. Although I signed as an opponent of the bill, I believe we are more interested in expressing concern regarding this bill and in learning of your intent relative to it than we are in making a simple statement of opposition.

We believe the Legislature should and does carefully assess what it hopes to achieve from each piece of legislation, prior to its passage. In other words with each bill the Legislature: (1) observes some ailment in present practice; (2) determines an action to remedy the illness; and (3) seeks to minimize the side effects from its remedy. Hopefully this hearing will allow an opportunity for us to learn of your perceptions of faults in present practice and also allow us to articulate potential problems with H.B. 2877. It will be our contention that present statute contains sufficient administrative and legislative oversight of the Regents system. Further, it is our contention that the side effects from H.B. 2877 outweigh its remedies. Section 1 and 2 of H.B. 2877 increase Legislative and administrative oversight for all state agencies, while Sections 3 and 4 are directed at increasing administrative oversight of the Regents system.

Administrative Oversight Of The Regents System

The Regents institutions are most concerned with the provisions of Sections 3 and 4 of H.B. 2877. These sections eliminate provisions, which we believe were carefully inserted to allow the institutions operation of separate computing sites.

To elaborate upon this point, I would like to first review the impact of Sections 3 and 4 and then review with you the Department of Administration's existing authority over data processing activities at Regents institutions.

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The Impact of Section 3 and Section 4

Section 3 amends K.S.A. 75-4705 to eliminate a Regents exclusion from mandatory participation in the Division of Information Systems and Communications (DISC) central computing site. Section 4 amends K.S.A. 75-4706 to eliminate a Regents exclusion from requirements for the Director of DISC to prepare the specifications for all data processing acquisitions.

Seemingly, the existing wording of K.S.A. 75-4705 and K.S.A. 75-4706 is necessary to assure a viable central computing site, by mandating that the Director of DISC has authority to control the DISC mainframe and participation in it. However, that wording recognizes that the Regents have largescale computing operations which are too large to be served by DISC and which are located in eight cities, remote from the central site. Therefore, requiring Regents preparation of all programming in accordance with DISC specifications and requiring the Director of DISC to prepare the specifications for Regents acquisitions is not a useful exercise. The existing Regents exclusions are reasonable. Eliminating those exclusions would only increase the bureaucracy and paperwork, as it is unlikely that DISC could assume any of the processing presently done at the campus locations.

Present DISC Oversight

Although the Regents are excluded from statutory participation in the central computing site, they ARE NOT excluded from the provisions of K.S.A. 75-4706 requiring the Secretary of Administration's approval of any purchase (or lease) of data processing hardware or software. While, the Regents are not required to participate in the central computing site or develop programs in accordance with DISC protocols, they must seek DISC approval for computer hardware or software acquisition. Further, this oversight is not taken for granted by the Regents nor is Department of Administration approval automatic.

Legislative Oversight Of Computing Acquisitions

The Regents have fewer concerns related to Sections 1 and 2 of H.B. 2877, than sections 3 and 4. Nevertheless, it seems appropriate for the Legislature to review whether its objectives would be served by the oversight suggested in these sections. This review should probably also focus upon the present oversight activities and whether they would be substantially improved by this bill.

Impact of Section 1 and Section 2

Section 1 of H.B. 2877 requires all proposals for computing acquisitions to be submitted to the Legislative Budget Committee. Further, the Section provides that no acquisition shall occur prior to 30 days after the proposal has been submitted to the Legislative Budget Committee. Section 2 formalizes a process by which agencies will file data processing related information with the State Budget Director and requires an annual report by the Legislative Budget Committee.

If Sections 1 and 2 become statute, all agencies will comply. Nevertheless, it remains questionable whether such compliance will improve the acquisitions process or merely increase the amount of paper being processed in state agencies. The following factors appear relevant to the consideration.

Legislative Time Considerations. The Legislative Budget Committee is a statutorily created interim Committee. Although it usually consists of some of the most active leaders in the Legislature, it is typically assigned several rather time consuming topics. A very high volume of paperwork will be generated by this proposal. Regardless of the Committee conducting this review a substantial investment of Legislative time would be required, for the analysis to be meaningful.

Legislative Staff Considerations. The large volume of paperwork, which would be generated by H.B. 2877, would require significant levels of processing and analysis by Legislative staff. Active interim committees tend to occupy staff under the present topic load. The Legislature would need to seriously evaluate whether to add staff or reduce other activities, for meaningful analysis to occur.

The Inflexibility Of Statutory Requirements. Although data processing concerns presently occupy a high profile, such may not always be the case. It may be more advantageous for the Legislative Coordinating Council to designate such a review as an interim topic for the duration of high profile legislative concern in this area. Otherwise, the paperwork requirements of H.B. 2877 could persist long after data processing concerns had diminished.

Present Authority of the State Budget Director. The State Budget Director presently has authority to specify all formats of annual submittals by state agencies. The Legislature may wish to review that which is missing from agency budget submittals and seek its inclusion in future budget submittals. The Division of the Budget is typically responsive to Legislative concerns in this regard.

Present Authority In Appropriations Process. Appropriations Subcommittees tend to receive the information they request. Further, most largescale data processing projects require additional legislative funds. Consequently, the opportunity exists for their review through the regular appropriations process.

Conclusion

The Regents institutions would prefer that H.B. 2877 not be enacted. Sufficient opportunities exist for Administrative and Legislative oversight under present statutes. The Regents believe those opportunities should continue as appropriate safeguards. The mechanisms proposed by H.B. 2877 would generate significant additional paperwork and procedural mechanisms. It remains uncertain whether those mechanisms would improve Legislative oversight of the computer acquisitions process.

HEIN AND EBERT, CHTD.
ATTORNEYS AT LAW
5845 S.W. 29th, Topeka, Kansas 66614
913/273-1441

Ronald R. Hein
William F. Ebert

HOUSE GOVERNMENTAL ORGANIZATION COMMITTEE
TESTIMONY RE: HB 2877
PRESENTED BY RONALD R. HEIN ON BEHALF OF
UNISYS CORPORATION
February 28, 1990

Mr. Chairman, members of the committee:

My name is Ron Hein, and I am legislative counsel for the Unisys Corporation. Unisys does business with all fifty state governments, with the federal government, and with numerous Fortune 500 companies.

Decisions with regards to which specific computer by brand and serial number should be determined by the competitive bidding process and the final decision should be made by the Executive Branch of government. However, as with all actions of the Executive Branch of government, there should be legislative oversight over the Executive Branch agency budget and budget related decisions, over the administrative procedures utilized by the agency, and on the broad policy issues applicable to the Executive Branch decision. The Legislature should have full and complete authority for drafting of the authorizing legislation pursuant to which the agency acts, subject only to the veto power of the Governor, as head of the Executive Department.

We believe that the policymakers of the State of Kansas are desirous of getting the best possible computer system, with the most effectiveness for state operation, at the least possible price, determined pursuant to fair and competitive bidding procedures.

Traditionally, when agencies have requested the Legislature for budgetary authority to begin new programs or to make major purchases, they have presented their budgetary requests to the Legislature for approval.

With regards to computers, it is far more difficult for the Legislature to perform this function. Major applications and programs for computers involve personnel, hardware, software, consulting fees, maintenance costs, space and equipment costs, and interest and carrying charges which might show up in any of a multitude of agency budgets. Certain statewide applications list expenditures in each and every agency budget, thus making a comprehensive overview of the total project difficult if not impossible.

Computer system cost overruns have been very common, with KBITS; CAECSES; VIPS; and, we understand, KFIS being prime examples where additional costs and expansions resulted either prior to completion of the project or relatively immediately thereafter.

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The Legislative Post Audit recently noted "The Comprehensive Automated Eligibility and Child Support Enforcement System is the most recent in the series of State computer projects that have cost more and taken longer than initially planned. In the last five years, the State has had similar experiences with the Kansas Business Integrated Tax System and the Vehicle Information Processing System. In order for the Legislature to be able to monitor costs and timeframes for major data processing projects, the Legislative Post Audit Committee should request the Department of Administration's budget division direct agencies to maintain a comprehensive budget for such projects. Such comprehensive budget plans would allow executive and legislative decision-makers to monitor progress by comparing initial expenditure and time estimates with current and projected estimates." (Performance Audit Report, Comprehensive Automated Eligibility and Child Support Enforcement System, January, 1990, p. 21.)

We concur with this recommendation, and would note for the record that other state legislatures have established various mechanisms for insuring that major policy decisions with regards to major computer applications are made from a technical and business and tax dollar oriented standpoint.

I've distributed before you copies of forms which are required to be filled out by agencies wishing to acquire computer systems in Colorado. The State of Colorado has created a Commission on Information Management because "proper planning with input from each department's management team is critical to achieving success in the area of information management."

The Division of Information Systems and Communication already uses an information technology plan, and requires agencies to perform planning. Utilizing the forms which I have passed out, which are utilized in the State of Colorado, will allow the policymakers who control the budget for the State of Kansas sufficient information to make intelligent, educated, and therefore cost-effective decisions with regards to information management systems.

Please note for the record that the information being gathered is not technical in nature, and relates more to costs, number of FTEs required to assist in determining personnel costs, and other management information which the budget committee and ultimately the full Legislature may utilize to make appropriate management decisions.

Therefore, we generally support the concept involved in HB 2877 as a tool to help the Legislature make the kind of budgetary management decisions which are most properly kept in the hands of the elected policymakers.

Thank you for permitting us to testify today, and I would be happy to yield for any questions.

**State of Colorado
Development Project Form**

Project Name: _____
 Strategic Business Objective(s): _____

I.S. Division Priority: _____ of: _____
 Strategic System Objective(s): _____

Project Description:

The Project in relation to the Agency's existing or proposed systems:

Phase Description	Estimated FTE	Estimated Start Date	Estimated End Date
1.			
2.			
3.			
4.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
Total Project FTE:			

-10-

*Attachment 4a
A. O. 2/28/95*

Exhibit E

Benefit Components	FY 91-92	FY 92-93	FY 93-94	FY 94-95	FY 95-96	Total
* If further explanation (intangible benefits) of the benefits is needed an attachment may be provided.						
Grand Total Projected Benefits						
Cost Components						
Personal Services						
Operating Expenses						
Capital Outlay						
Grand Total Projected Costs						
Benefits Less Costs						
Prepared By Name:			Phone #:		Approved By:	

Exhibit G
 Base Budget Analysis Worksheet
 (Department)
 (Date)

Cost Components	Actual FY 89-90	FY 90-91	FY 91-92	FY 92-93	FY 93-94	FY 94-95	Total
I. Personal Services							
Labor--							
State Employees							
Contract and Consulting							
Other							
Total Personal Services							
II. Operating Expenses							
Material and Supplies							
Maintenance--							
Equipment							
Operating and Other System Software							
Application Software							
Processing at a State Computer Center							
Communication Services--							
From Outside Source							
From Division of Telecom. Services							
Utilities							
Administrative Expenses							
Training							
Travel							
Other							
Total Operating Expenses							
III. Capital Outlay							
Equipment--							
Purchased							
Leased							

-13-

**State of Colorado
Project Status Form**

Project Name: _____

I.S. Division Priority: _____ of: _____

Strategic Business Objective(s): _____

Strategic System Objective(s): _____

Phase Description	Estimated FTE	Actual FTE	Estimated Start Date	Actual Start Date	Estimated End Date	Actual End Date	Percentage Complete
1.							
2.							
3.							
4.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Total FTE:							

Exhibit C

4/e

Benefit Components	FY 91-92	FY 92-93	FY 93-94	FY 94-95	FY 95-96	Total
1. Benefit:						
Expected						
Realized						
Current Projection						
2. Benefit:						
Expected						
Realized						
Current Projection						
3. Benefit:						
Expected						
Realized						
Current Projection						
4. Benefit:						
Expected						
Realized						
Current Projection						
Grand Total Benefits:						
Realized						
Current Projection						
Cost Components						
Personal Services						
Estimated						
Incurred						
Current Projection						
Operating Expenses						
Estimated						
Incurred						
Current Projection						
Capital Outlay						
Estimated						
Incurred						
Current Projection						
Grand Total Costs:						
Incurred						
Current Projection						
Benefits Less Costs:						
Realized						
Current Projection						

Prepared By Name:

Phone #:

Approved By:

Exhibit A
 (Appendix B)
 Existing System Inventory
 As of (date)

Software Components (*)	Manufacturer	Number	Product/Version	Key Users	Date Installed	Cost	Strengths and/or Weakness
General Ledger	XYZ Co.	2	6.0B	Accounting Division	7-1-88	\$50,000	<i>s = Reports easy to read</i> <i>= No down time</i> <i>= Easy to use</i> <i>w = Slow response time</i> <i>= Poor documentation</i>

Hardware Components/Description	Manufacturer	Model Number	Number Owned	Date Installed	Cost
CPU/Mainframe	IBM	3083 BX	1	2-6-82	\$3,000,000

PA



State of Kansas

Mike Hayden, Governor

Department of Health and Environment

Division of Information Systems

Stanley C. Grant, Ph.D., Secretary

Landon State Office Bldg., Topeka, KS 66612-1290

(913) 296-1415
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Written Testimony presented to

House Governmental Organization Committee

by

The Kansas Department of Health and Environment

H.B. 2877

HB 2877 requires significant additional documentation for every data processing hardware or software acquisition and requires presentation to legislative budget committees. KDHE opposes this requirement for several reasons: 1) considerable effort is already being expended in justifying these acquisitions; 2) there would be a serious negative impact on the operational efficiencies of the agency; and 3) the fiscal impact is substantial.

First, there is already an enormous amount of effort put into the justification of these items during the budget process. These items almost always have to be repeatedly justified when the Legislature re-examines the current fiscal year expenditures). Additionally, many of these items require individual approval from DISC as part of its statutorily mandated oversight function.

Second, program operations will be unfavorably affected due to staff professionals investing time in additional justifications and all acquisitions delayed for an additional 30 days. Quite often, the need for a particular data processing resource is critical, and the current delays in vendor response are often detrimental to the effective operation of the Department. To add 30 days to this delay would not only cause morale problems, but in some cases, would cause a project to fail. In addition, this delay prohibits the agency from signing a letter of intent for 30 days which could cause the state to miss out on discounts and special offers worth tens of thousands of dollars.

Third, there is a definite out of pocket fiscal impact. In the last full fiscal year, KDHE initiated over 400 purchase requests that would require this additional paperwork and handling. (This does not include telecommunications purchase requests and work orders that are becoming increasingly difficult to differentiate from data processing.) Purchase requests grow each year, and assuming a little over two hours staff time to type, format, submit, track, answer inquires on, etc., each request, KDHE would need at least one-half additional FTE. This fiscal impact is in addition to the diminished professional staff time spent on program duties.

It is possible that major restructuring of the proposal would mitigate some of these drawbacks, but as it is currently written, we see only negative consequences.

Testimony prepared by: Dr. Lorne A. Phillips, Director
Division of Information Systems
February 28, 1990

Attachment 5
L.A.P.
2/28/90

Charles Konigsberg, Jr., M.D., M.P.H.,
Director of Health
(913) 296-1343

James Power, P.E.,
Director of Environment
(913) 296-1535

Lorne Phillips, Ph.D.,
Director of Information
Systems
(913) 296-1415

Roger Carlson, Ph.D.,
Director of the Kansas Health
and Environmental Laboratory
(913) 296-1619

RICK BOWDEN
 REPRESENTATIVE, NINETY-THIRD DISTRICT
 433 WALNUT
 GODDARD, KANSAS 67052



TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 RANKING MINORITY MEMBER: EDUCATION
 MEMBER: GOVERNMENTAL ORGANIZATION
 LOCAL GOVERNMENT
 RULES AND JOURNAL

HCR 5042

Chairman Walker and members of the House Governmental Organization committee. I would like to thank you for the opportunity to appear today on HCR 5042. Of all the constitutional amendments that have been introduced this session I can honestly say it would be the easiest for the public to understand if it does appear on the ballot this November. This resolution would call for a change in how members of the State Board of Education come to that position. Instead of being elected they would be appointed by the Governor subject to Senate confirmation under this proposal.

First of all I want to say right at the start that introduction of this resolution and sponsorship of this legislation by Rep. Grotewiel, Gjerstad and myself should not be interpreted as a condemnation of the present Board or the members on that board. Connie Hubbell and several other members of the board have worked very hard and diligently to improve education in Kansas.

We do, however, have reasons for supporting the change we are proposing in this legislation and I would like to go over them briefly. (Permit me to provide this in outline form since I would like to spare a few more trees.)

- 1) Some capable and very competent people are dissuaded from running for this elective office due to:
 - a) time involved in running a campaign,
 - b) expense involved in running a campaign,
 - c) size of district a person must campaign in,
 - d) personal sacrifices and family sacrifices in running.
- 2) Present structure of election creates problems in years of reapportionment.
- 3) The "politicizing" of the office as a result of political re-election.
- 4) There will still be local citizen control over local boards and local school policies.
- 5) State Board of Education should be an educational policy, program and direction setting body.
- 6) The best method of selecting those individuals who will be working to carry out the educational programs of the executive and legislative bodies.

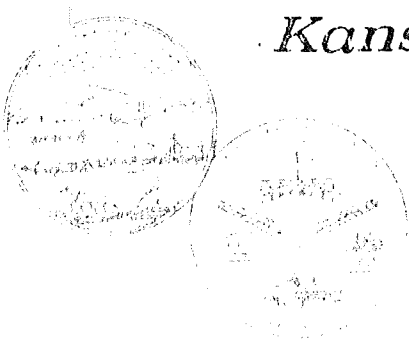
Mr. Chairman and members of the committee I again thank you for listening to my comments and would be happy to address any questions you might have.

Attachment 6
 G. O.
 2/28/90

Kansas State Board of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103



Mildred McMillon
District 1

Connie Hubbell
District 4

Bill Musick
District 6

Evelyn Whitcomb
District 8

Kathleen White
District 2

I. B. "Sonny" Rundell
District 5

Richard M. Robl
District 7

Timothy R. Emert
District 9

Paul D. Adams
District 3

Everett L. Johnson
District 10

February 28, 1990

TO: House Governmental Organization

FROM: State Board of Education

SUBJECT: House Concurrent Resolution 5042

My name is Connie Hubbell, Chairman of the State Board of Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

I have previously presented to you the State Board's opinion concerning changing its constitutional authority in HCR 5010 testimony. I would like to speak to you now on elected versus an appointed State Board of Education. It is generally agreed that ideally, the people should exercise their voting franchise in educational policy making. It is essential that some part of the state educational agency be kept close to the people. It seems logical that the element closest to the people should be the State Board of Education. It also seems logical to elect the members of such a board and that the board should appoint the top professional person who should be the administrator. The elective method of choosing board members provides a democratic means of obtaining members to represent the people and makes the board more accountable. It gives the ordinary citizen a direct contact when problems arise affecting the local districts. It also ensures that all areas of the state are represented.

The State Board contends that it is not necessarily true that better qualified people can be secured through appointment. It is more than likely that on some occasions the political organization that supported the election of the Governor would insist on the appointment of persons who may or may not be well qualified for membership on the State Board of Education. The assumption that appointment would remove the board from politics is not necessarily sound. Appointment of board members could be influenced by political rather than educational considerations.

In summary, we believe that the State Board of Education which is composed of elected members whose major interest is education can adequately respond to those needs in cooperating with the Governor and the Legislature without amending the Constitution. We believe an elected State Board would be more accountable to the people of Kansas.

Attachment 7
H. O.
2/28/90

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

5401 S. W. 7th Avenue Topeka, Kansas 66606
913-273-3600

Testimony on HCR 5010
before the
House Governmental Organizations Committee

by

Norman L. Reynolds, Director of Education Services
Kansas Association of School Boards

February 28, 1990

Mr. Chairman and members of the Committee, we appreciate the opportunity to appear before you on behalf of the 302 member boards of education of the Kansas Association of School Boards and, at their request, Schools for Quality Education (SQE) and Kansas-National Education Association (K-NEA) with regards to HCR 5010.

In early December, 1989, the delegate assembly of the Kansas Association of School Boards, which is representative of the 302 member districts of the Association, voted to support the constitutional change as established in HCR 5010.

This change, as we understand it, would remove the self-executing powers of the State Board of Education that are the result of a Supreme Court ruling on the wording changes in the 1966 constitutional amendment; and, would establish the State Board of Education powers as those delegated to the State Board by the legislature through statute.

As we view the amendment, it corrects a situation that allows the State Board of Education to be the only executive branch agency that is not subject to the checks and balances that result from legislative oversight.

Attachment 8
G. O.
2/28/90

We appreciate the opportunity to provide testimony in support of HCR 5010 and recommends that the resolution be reported out of committee favorably.

I would be happy to respond to any questions that the committee may have.

Kansas State Board of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103

Mildred McMillon
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Connie Hubbell
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District 6

Evelyn Whitcomb
District 8

Kathleen White
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District 5

Richard M. Robl
District 7

Timothy R. Emerit
District 9

Paul D. Adams
District 3

Everett L. Johnson
District 10

February 28, 1990

TO: House Governmental Organization

FROM: State Board of Education

SUBJECT: House Concurrent Resolution 5010

My name is Connie Hubbell, Chairman of the State Board of Education. I appreciate the opportunity to appear before the Committee on behalf of the State Board.

House Concurrent Resolution 5010 is an amendment to the Constitution which would grant the Legislature the opportunity to enact legislation to change the present system of governance and to make any other changes that are not currently possible under the present education article. The two areas that are most frequently discussed concerning the education article associated with the State Board have been the appointment of State Board members and elimination of its self-executing powers currently provided by the Constitution. I would like to discuss with you the self-executing powers.

The State Board has made a concerted effort to acknowledge both the educational needs of the community and the school districts' ability to finance any proposed changes. The State Board has made a concerted effort to work cooperatively with the Governor and Legislature to improve the quality of educational programs in unified school districts, community colleges, and area vocational-technical schools. Numerous programs have been initiated and supported by the State Board of Education including Parents as Teachers, Outcomes-Based Accreditation, Math and Reading Improvement Programs, Two-Way Interactive Video Instruction, and the At-Risk Pupil and Innovative Program Assistance Law (SB 13).

It is the State Board's opinion that its general supervisory powers have been used wisely to respond to the educational needs of Kansas.

The State Board of Education has obtained public input on major issues being considered for implementation by holding hearings. Notices of all public hearings are

Attachment 9
S.O.
2/28/90

made available to all school districts, community colleges, and area vocational-technical schools prior to implementation to ensure that adequate input is received prior to the State Board's action. We believe amending the Constitution to reduce the State Board's self-executing authority is unnecessary and not in the best interest of education. Education is a very complex and difficult area to analyze.

Of the 11 resolutions to amend the Article, two were submitted to the voters: in 1974, a proposal was submitted to make the language referring to the supervisory authority of the State Board of Education identical to that of the State Board of Regents and to give the Legislature the ability to create a separate community college governing board; a second proposal containing an amendment limiting the powers of the State Board of Education to those delegated to it by the Legislature was submitted to the voters in 1986. Both proposals failed.

The State Board of Education feels that no changes need to be made in Article 6 of the Kansas Constitution.