

Approved: _____

3/6/95

Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p. m. on February 21, 1995 in Room 514-S of the Capitol.

All members were present except: Representative Gross

Committee staff present: Alan Conroy, Legislative Research Department
Kathy Porter, Legislative Research Department
Susan Wieggers, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Representative Tom Bradley
Representative Kent Glasscock
Representative Henry Helgerson
Representative Sheila Hochhauser
Gloria Timmer, Director, Division of Budget
Steve McKinzie, President, Kansas State Troopers Association
Kelly Jennings, Kansas Association of Public Employees
Bobbi Mariani, Division of Personnel
Dick Koerth, Department of Wildlife and Parks

Others attending: See attached list

Chairperson Jennison opened the hearing on **HB 2355**.

HB 2355 -- **State finances, financial plan, strategic plans and performance measures for agency operations and programs, budget estimates, joint estimates of revenues and caseloads.**

Representative Henry Helgerson testified in support of **HB 2355** and said the budget process, as changed in this bill, will provide an effective vehicle for focusing the executive and legislative branch on agency policies and priorities, rather than on individual appropriation line items (Attachment 1).

Representative Kent Glasscock testified in support of **HB 2355**. He said it is time for us to firmly establish - by law - performance based budgeting in Kansas, and that this bill asks that we actually discuss public policy as we formulate and set our state budget (Attachment 2).

Gloria Timmer, Director, Division of Budget, testified in support of **HB 2355** and said she was speaking on behalf of the Governor. She also said the Department has attempted, in the Budget Division, to do some level of performance budgeting in the last two years.

Representative Tom Bradley testified in support of **HB 2355** and said performance measures are the bedrock of state budgeting procedures. Representative Bradley distributed copies of performance measures which were released by the subcommittee (Attachment 3).

The hearing on **HB 2355** was closed by the Chair.

The Chair opened the hearing on **HB 2419**.

HB 2419 **Overtime compensation for state officers and employees performing essential services.**

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on February 21, 1995.

Representative Hochhauser testified in support of **HB 2419**. She said this bill is necessary legislation for not only boiler repair employees, but for employees who perform snow removal, direct patient care, and prison inmate supervision (Attachment 4).

Steve McKinzie, Kansas State Troopers Association, testified in support of **HB 2419**. He said he only asks for fairness for a group of employees who already give more time to the citizens of Kansas. He also said the deprivation of equality clearly increases the disadvantage to the trooper (Attachment 5).

Kelly Jennings, Kansas Association of Public Employees (KAPE), testified in support of **HB 2419**. Ms. Jennings said in order to maintain the quality of services that all Kansas citizens have come to enjoy, it is vital that the employees performing these services be properly compensated (Attachment 6).

Bobbi Mariani, Division of Personnel Services, testified in opposition to **HB 2419**. She said because this bill would allow these designated employees to count paid leave toward the overtime threshold, the Division believes the state will incur in costs for overtime compensation \$2.7 million of the expected savings of \$2.9 million estimated with the passage **SB 824** in 1994 (Attachment 7).

Dick Koerth, Department of Wildlife and Parks, testified in opposition to **HB 2419**. Mr. Koerth said this bill would create a class of state employees, defined as performing essential services, which would be exempt from the provisions of state law and regulations pertaining to the computation of overtime payments. (Attachment 8).

The Chair closing the hearing on **HB 2419**.

A motion was made by Representative Kline, seconded by Representative Mollenkamp, to approve the minutes of February 15, 1995.

The meeting adjourned at 2:50 p.m.

The next meeting is scheduled for February 22, 1995.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2/21/95

NAME	REPRESENTING
Gaby Hocutt	Rep. Glasscock
Elaine Frisbie	Div. of the Budget
Steve McKinzie	KANSAS STATE TROOPERS Assoc.
Linda McGill	KSTA
B. Mariani	Dept. of Adm.
Jeff Wagaman	D of A
RICK RIGGS	POST AUDIT
Trudy Racine	KDOT
James Crawford	Intern
Kelly Jennings	KAPC
Neil Rutkowski	Governor's Office
Dolores Gonzales	KCC
Jim Hays	SRS
Roger Trautle	Ks Gov Consultancy

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TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
APPROPRIATIONS
INSURANCE
JOINT COMMITTEE ON HEALTH CARE

Testimony on HB 2355

The State of Kansas observes certain financial policies as a means of responsibly managing the fiscal affairs of the state. Kansas, through performance-based budgeting principles, allocates available public resources consistent with the goals and objectives of state agencies, as embodied in their strategic plans. HB 2355 has been proposed in support of this practice.

Section One

Section One of HB 2355 would require the Governor, with the assistance of the Director of the Budget, to develop and maintain a state financial plan for the current and three ensuing fiscal years. This financial plan would include the most recent joint estimates of revenue to the State General Fund, and other special revenue estimates as may be selected by the Governor. Kansas uses consensus revenue estimates developed by executive and legislative professional staff, as well as university economist consultants, to facilitate budgetary decision-making.

Section One also provides for public deliberation and comment on the state's financial plan and state agencies' strategic plans. Specifically, the bill would require the Governor to conduct public meetings between state officials and members of the public in each congressional district of the state when the Legislature is not in session.

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Attachment 1

Section Two

One of the recommendations of the Reinventing Kansas Government project team that examined the state's budget process was a need for integrating strategic planning with the budget process. Section Two of HB 2355 would require agencies to develop and maintain a strategic plan for agency operations, including a mission statement, a list of the goals and objectives for the next fiscal year and the next three fiscal years, and performance measures for the goals and objectives. State agencies will review and update their strategic plans on an annual basis.

Section Three

Section Three of HB 2355 would specifically require the Director of the Budget and the Director of the Legislative Research Department to prepare joint revenue estimates on major federal revenues, as selected by the Directors, in addition to State General Fund revenues. These estimates would include the current fiscal year and the next two fiscal years.

Another important budgetary consideration is the number of additional cases that SRS must respond to each year. Section Three of HB 2355 would also require the Director of the Budget and the Director of the Legislative Research Department and the Secretary of Social and Rehabilitation Services to prepare caseload estimates for the Department over the current and next two fiscal years. These estimates would also be included in the state financial plan.

Sections Four, Five and Six

Sections Four, Five and Six of the bill amend statutes that relate to the budget process. Under HB 2355, agencies will include strategic plans as part of their budget estimates. Volume One of *The Governor's Budget Report* will include the state financial plan for the current and next three fiscal years. Volume Two will include a description of agencies' strategic plans, and detailed budget estimates by state agency for the current and next three fiscal years.

Another recommendation of the Reinventing Kansas Government project team was to transform the Children's Budget into a database, administered by another agency, such as the Corporation for Change. Consistent with this recommendation, Sections Four and Five of HB 2355 would eliminate the requirement that a separate listing of services to children be included in agency budgets and *The Governor's Budget Report*. The current format is not conducive to long-term data collection and analysis to ascertain the success or failure of programs, since the budgeted amounts are not yet tied to performance outcomes. This information, however, could continue to be addressed in agency strategic plans, where appropriate.

The budget process was modified substantially in 1981 to be more program- and performance-based. However, the failure at that time to develop and use meaningful program objectives and performance measures as a central focus in the preparation and review of agency budgets has contributed to an excessive consideration of minor budget items.

The budget process, as changed in HB 2355, will provide an effective vehicle for focusing the executive and legislative branches on agency policies and priorities, rather than on individual appropriation line items.

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HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
CHAIRMAN: LOCAL GOVERNMENT
MEMBER: ECONOMIC DEVELOPMENT

TESTIMONY
House Appropriations Committee
HB 2355
Rep. Kent Glasscock

Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you today in support of HB 2355, an act which will give the concept of performance based budgeting the force of law in Kansas.

As many of you know, the House Appropriations Committee has taken a strong leadership role over the course of the last two years in moving Kansas away from incremental budgeting and toward a process guided by goals and performance. The result of this leadership is evident in your daily subcommittee meetings as you struggle with the basic questions of whether programs are efficient, effective, or even needed.

During these last two years, for its part, the state bureaucracy has been visibly shaken as its iron clad grip on incremental 'we had this much money last year so let's ask for more next year' budgeting has been loosened. This committee, Mr. Chairman, has seen bureaucratic sand bags, barricades, and great walls of paper erected by some agencies in defense against performance based budgeting. Proving the public policy value of individual programs has thrown many into apoplexy. Thankfully, this response has not been not universal -- some agencies have actually embraced the concept, knowing that focused, well run programs will be more noticeable and more fully supported.

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Attachment 2

Although great progress has been made, we have not done all that we can do. In my mind, it's time for us to firmly establish -- by law -- performance based budgeting in Kansas. We can not go back to incremental budgeting, but instead we must push both the executive and legislative branches of government to fully accept a new way of doing business. This new way, established by HB 2355, is a lot harder than the old way. But it's immeasurably more rewarding.

This proposal asks a great deal of the Governor, the legislature, and the public. It asks that we actually discuss public policy as we formulate and set our state budget. This is not easy. The plain fact is that no state has ever been truly effective in throwing incremental budgeting overboard. Every other state has, in one way or another, crashed on the rocks of public policy. It's just plain tough to ask, 'do we really need this?' or 'does this program really work?' or 'does this policy even remotely match current public consensus?' These questions are frustrating and difficult to discuss. It's so much easier to ask instead, 'can you get by with a little less increase?' or 'do you really have to do all that out-of-state traveling?' In the end, other states have steadfastly refused to ask the really tough questions and have, instead, retained performance based budgeting in name only.

I believe the public, the Governor, and the legislature in Kansas are ready to ask these tough questions. I believe we are ready to mud wrestle the public policy of our budget rather than just finessing its finer points. HB 2355 will help us do that. It will, in fact, force us to do that.

Nearly all of us are guilty of talking a good game about making government smaller and more efficient, but in fact, this is a hard thing to do. I would submit, if we retain the traditional methods of budgeting, it is nearly impossible. We must give ourselves new tools to build public policy, new eyes with which to see old problems, and new methods to effectively judge current programming. In my mind, HB 2355 will do all these things. The change it represents will not be easy or fun, but -- if we stay committed -- it will most certainly bring profound change to state government in Kansas.

PERFORMANCE MEASURES

FEBRUARY 1, 1995

ACKNOWLEDGEMENTS

The transformation and modernization of state budgeting procedures for improved state financial planning has been a collaborative effort of many individuals. In particular, the following people have been instrumental in the development of strategic planning and the establishment of performance measurements:

Honorable Rochelle Chronister
Honorable Kent Glasscock
Honorable Henry Helgerson

PERFORMANCE MEASUREMENTS

The traditional approach to budgeting focused on incremental changes in the current level of funding for detailed categories of expenses (for example: salaries, travel, equipment, supplies and so forth) called line items. Reform efforts in federal, state and local governments have attempted to change the emphasis of budgeting from line item expenditure control to the allocation of resources based on program goals and measured results.

The concept of performance budgeting was first championed in 1949 by the Hoover Commission at the federal level and by similar reform commissions at the state and local levels. Performance measures are usually presented in terms of service expectations and unit costs. Attachment I is a short evolution of public budgeting in the United States.

Performance measures aid managers in (1) establishing program priorities, (2) strengthening management improvement efforts, (3) dealing with the results of budgetary reductions, and (4) gaining more flexibility in allocating appropriated funds. Performance measures are more likely to be used and maintained if they are linked directly to agency missions and programs.

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Attachment 3

The first step in developing performance measures is establishing strategic plans and a mission statement for each agency. Strategic planning is a future oriented process of agency assessment, goal-setting and decision-making. The mission statement outlines the purpose and services of each agency, why it exists and what it is to accomplish. The strategic plan for agency operations includes a mission statement, a listing of goals and objectives and appropriate performance measures. Attachment II is a copy of the Agency Strategic Plans that were issued by the Director of the Budget to all agencies this fall.

Successful implementation of performance measurements will require agencies to conduct better planning and have more public discussions concerning the agency mission. Performance measurements need to be established in order to better evaluate the productivity of agencies. Agencies must approach performance measurements as a central part of management. In order to have useful discussions about performance, state agencies must first develop appropriate measures, collect valid data and use it as part of their administrative decision making. The development of measurements does require input from the public as well as all levels of employees within the agencies.

The legislature will review the budget request of each agency and agree that the cost is related to and worth the results identified by the Performance Measurements. Funding should be related directly to the measurements.

Checklist for Good Performance Measurement. Well-developed performance indicators should include the following characteristics:

- | | |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Relevance | Should include data essential for understanding the accomplishment of goals and objectives; should be management's representation of performance. |
| Understandability | Should be communicated in a concise but readily understandable manner. |
| Comparability | Should provide a clear frame of reference |

for assessing performance.

Consistency

Should be reported consistently from period to period; should be reviewed regularly and modified or replaced as needed to reflect changing circumstances.

Reliability

Should be derived from systems that produce controlled and verifiable data.

Scope

Should be comprehensive enough to be a fair representation of the agency's overall effort.

Performance budgeting will have a greater likelihood for success if there is trust between the Legislature and the agency. While some skepticism between the organizations is normal and even desirable, a certain level of trust is needed for efficient governance. Many agency officials believe that the Legislature micro-manages their agencies' affairs in too much detail, or is simply looking for places to cut their budgets. If Performance Budgeting is to be implemented successfully, agencies need to believe that performance information will be used constructively in legislative discussions, and that they will have the operating flexibility needed to achieve their expected outcomes. Legislators have suspicions as well, believing that some agencies are more concerned about self-preservation than achieving their missions. In order for legislators to use performance information in the budget process, they would have to be convinced, at a minimum, that agencies are providing reliable information. This would enable discussions between the organizations to focus more on policy issues and performance improvement and less on the current funding level.

Performance information assists the Legislature in many ways. It can help the Legislature to (1) develop appropriate state policies and goals, (2) monitor the implementation of these policies by state agencies or others, (3) communicate with constituents and the broader public about state programs and their results, and (4) make budget decisions. In short, high-quality performance information can help legislators in virtually all aspects of governing, not just in the budget process.

ATTACHMENT I

THE EVOLUTION OF PUBLIC BUDGETING in the UNITED STATES

Budgets in the 1920s:

Focused on "objects of expenditure"

The budget for an agency was presented in categories such as personnel, rent and leases, office supplies, fuel, and equipment.

Were control-oriented

The purpose of the budget was to set limits on agency spending for the categories of spending noted above.

Focused on inputs

The budget focused on the level of spending (and perhaps the number of employees) with little information on what the agencies were trying to accomplish or how they would do it.

Budgets in the 1990s:

Focus on programs and activities

The budget for an agency is presented by program (such as forest management) and activity (such as forest firefighting). Data on objects of expenditure are available for each program or activity, and may be included in the budget document.

Are used for control, management, and planning purposes

The budget document proposes limits on overall agency spending, but it also presents agency managers with an opportunity to discuss productivity, accomplishments, issues that should be addressed, and options for addressing them.

Consider outputs and outcomes, in addition to inputs

The budget document discusses spending in the context of agency mission and activities, and perhaps provides information on actual or proposed program results.

ATTACHMENT II

PART III

AGENCY STRATEGIC PLANS

Purpose

Strategic planning is a long-term, future-oriented process of agency assessment, goal-setting, and decision-making that establishes a direct connection between the present and a vision for the future. Agency planning is necessary to:

1. Establish a clear definition of mission and a direction for the future.
2. Facilitate efficient management of operations.
3. Develop agency-wide work plans.
4. Develop agency-specific objectives and strategies for fulfilling the agency mission.
5. Establish agency-specific outcome measures to determine whether the established objectives are being met.
6. Make agencies more responsive to the needs of Kansans.
7. Allocate resources according to priority and ensure accountability for the use of those resources.
8. Provide continuity in budgeting within a multi-year timeframe.

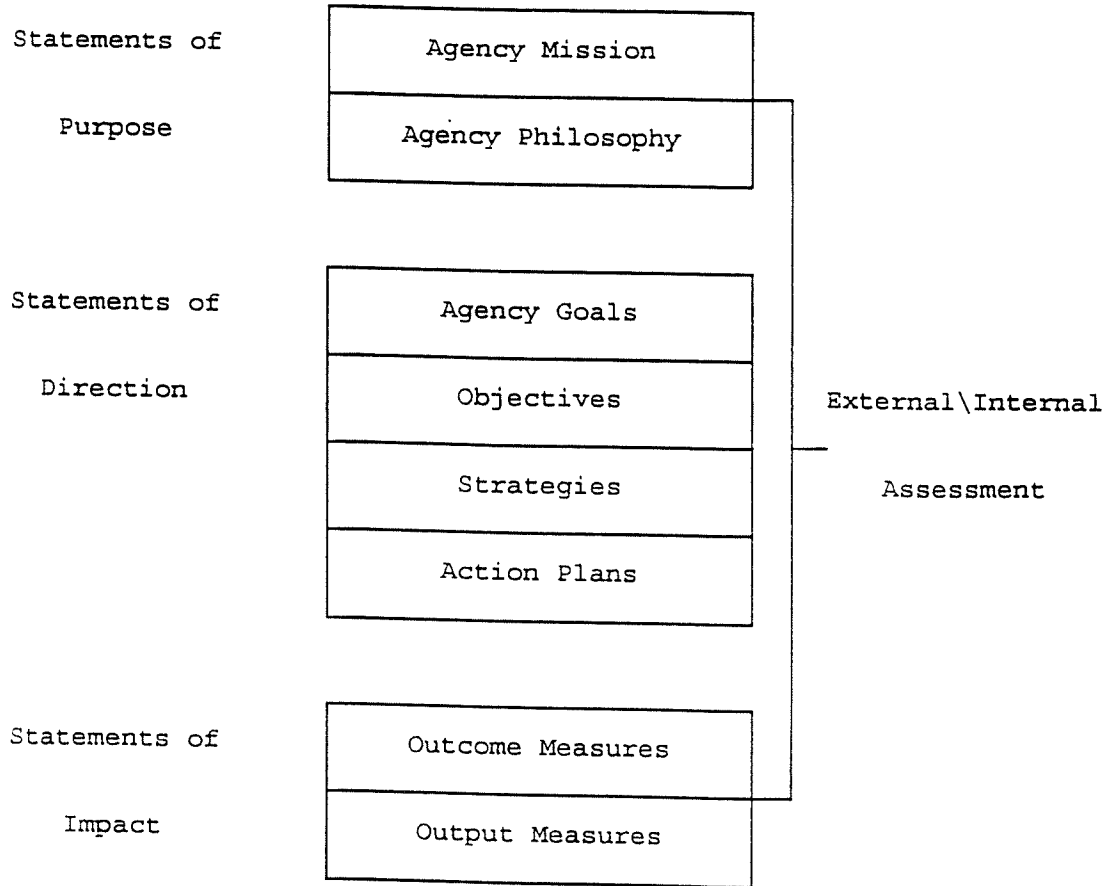
Planning Elements

In the preparation of strategic plans, agencies are expected to include in the budget document the following elements:

1. Agency Mission -- The reason the agency exists.
2. Agency Philosophy -- The expression of core values and principles used by the agency to carry out its mission.
3. External/Internal Assessment -- An evaluation of key factors affecting the success of an agency in achieving its mission and meeting its goals.
4. Goals -- The general ends, in priority order, to which an agency directs its efforts.

5. Objectives and Outcome Measures -- Clearly-defined targets, in priority order, that quantify the achievement of an agency's goals and the effectiveness in qualitative and quantitative terms of meeting those targets.
6. Strategies and Output Measures -- Actions and methods to achieve objectives and the quantified result of the agency's actions.
7. Action Plans -- Detailed methods that implement an agency's strategy.

The relationship between the various elements described above is graphically depicted below.



Agency Mission

Description. The agency mission articulates the reason for an agency's existence. A mission succinctly identifies what the agency does, and why and for whom it operates. A mission reminds everyone -- the public, the Governor, legislators, the courts, and agency personnel -- of the unique purposes promoted and served by the agency. The mission should link with statutory requirements and the functional goals issued by the Governor and the Legislature.

Guidelines. Representing the "what" and the "why," an agency's mission is the common thread binding its organizational structure and activities. The following considerations will guide the development of a mission statement:

1. It should enumerate the basic purposes for which the agency exists.
2. It should indicate whom the organization serves.
3. It should state how the mission is in harmony with the agency's enabling statute.
4. The mission must be clearly understandable to the public.
5. It generally should be no more than one paragraph in length.

Agency Philosophy

Description. The agency philosophy expresses the critical values and operating principles for the conduct of the agency in carrying out its mission. It describes how the agency conducts itself as it does its work. Agency philosophy articulates management policies and principles, and it reflects the values and principles that guide the agency's behavior.

Guidelines. The following consideration should be given to development of the agency philosophy:

1. The philosophy encompasses personal agency conduct. For example, it represents how employees will conduct themselves as they carry out the agency mission.
2. It embodies the organization's values.

External/Internal Assessment

Description. The assessment is an ongoing evaluative tool critical to the development of each agency's strategic plan but is not part of the plan itself. Assessments refer to economic, political, technological, demographic, and social factors affecting the organization from a historical perspective to determine how well the agency has met the challenges presented by its internal and external environments. It is an evaluation of key factors influencing the success of an agency in achieving its mission and goals. The purpose of the external/internal assessment is to set the stage for the agency's goal-setting process and to facilitate the agency's recognition of current and future issues.

Internal Assessment. Taken into consideration are the accomplishments made and instances where the agency has failed, how well the agency has met the needs of its customers, and the examination of customer service outcomes that can result in isolation of ancillary or duplicative activities. This assessment indicates whether a program or activity will grow, decline, or remain stable. The internal assessment focuses on advantages and strengths as well as disadvantages and weaknesses.

External Assessment. The agency looks to the external environment and its relevance to the agency. Trends should be reviewed with examination given to forces that have the potential to affect or alter key elements of the environment. Major issues or problems should also be anticipated.

Projections should be made with regard to future forces, environmental changes, and new opportunities that may be available.

Guidelines. The ongoing process of external/internal assessment should consider the following elements:

1. Overview of agency scope and functions
2. Organizational aspects (geographic location, size of workforce, capital asset strengths and weaknesses)
3. Fiscal aspects (size of budget, method of finance, revenue sources comparison to other states, degree to which current budget meets current and expected needs)
4. Service population demographics (historical characteristics, future trends, current characteristics)
5. Technological developments (impact of technology on current operations, impact of anticipated technological advances)
6. Impact of economic variables in agency operations
7. Impact of federal statutes/regulations, anticipated impact on service populations
8. Legal issues related to anticipated state statutory changes, current and outstanding court cases
9. Self-evaluation and opportunities for improvement. Exploration of methods for effectively and efficiently serving critical populations, performance reviews, and audit reports.
10. Evaluation of agency program structure.

With respect to item 10 on the above list, agencies need to review their program structures at least annually. Program structures should be revised when evidence indicates that a revision will improve agency operations, budgeting, fiscal reporting or management. In development or revision of a program structure, the following rules apply:

1. Programs should serve a single purpose and set of objectives.
2. A program may span more than one organizational subdivision within an agency; however, activities included in a specific program should be activities that are managed in concert.

3. Programs should be split into subprograms only if the division improves agency operations, budgeting, fiscal reporting, or management.

The Division of the Budget or the agency may initiate a change in program structure. All changes in program structure must be approved by the Director of the Budget before they are incorporated into the central accounting system. An agency proposal to change the program structure should be submitted in writing and should include the following:

1. Copies of current and proposed program structure charts.
2. An explanation of problems encountered in using the current structure or the improvement to be gained.
3. An explanation of all alternatives considered to resolve the problems.

The creation of new subprograms or the deletion of existing subprograms within existing programs is considered a change in program structure. Written proposals concerning program structure changes should be submitted to the Division of the Budget by June 1 to allow time for analysis and response before agencies begin working on program plans.

Agency Goals

Description. Goals are broad, issue-oriented statements reflecting an agency's priorities. They logically follow from, and are therefore consistent with, an agency's mission and philosophy. Within the context of an agency's external-internal assessment, they indicate what the agency intends to accomplish in the future. Goals are qualitative and quantifiable but are not in themselves quantified in the strategic planning process. Quantification is reserved for objectives, which will be discussed in the next section. In addition, goals are not time-specific because they are expected to be met in a timeframe longer than that covered by the strategic plan.

Guidelines. The following considerations will guide the development of agency goals:

1. Achievement of an agency's goals should contribute to the fulfillment of its mission and philosophy.
2. Goals should be realistically formulated in the context of external and internal constraints.
3. Goals should be focused on customers and should be readily understood by them.
4. Goals should be presented in priority order based on level of importance or estimate of greatest effect.
5. Goals should be limited to the number necessary to determine the agency's direction and provide a unifying theme for objectives, programs, and activities.
6. Each goal should be stated in a maximum of two sentences and should include the statutory citation that authorizes the goal. Other goals not specifically authorized by statute may be included, but these should be noted accordingly.

The agency will then develop expected accomplishments (or objectives) and action plans (or strategies) to achieve the goals established. As goals are formulated, agencies should begin to consider the performance measures that will be used to measure accomplishment.

Objectives and Outcome Measures

Description (Objectives). Objectives, as targets for specific action, logically follow goals previously established. In contrast to goals, objectives are detailed, quantified, time-specific statements of accomplishment or outcome. Similar to goals, they are presented in priority order.

Guidelines (Objectives). The following considerations will guide the development of agency objectives:

1. Objectives should be attainable in the timeframe covered by the strategic plan (e.g., a fiscal year).

2. Objectives must relate to outcomes, not internal processes or procedures.
3. They must be quantified in relation to an appropriate performance measure indicating outcome or accomplishment.
4. There must be at least one objective for each goal.
5. Objectives should be readily understood by customers.
6. Each objective should be stated in a maximum of two sentences.

Objectives set the direction for action or strategies.

Description (Outcome Measures). Outcome measures are derived directly from the objectives and indicate the effectiveness of agency actions. They are expressed in a quantifiable form and indicate the degree to which an agency is achieving its objectives. Outcomes, as distinguished from outputs, measure the ultimate result or effect of a service on customers. The close relationship between objectives and outcome measures affords a comparison of the intended result, as embodied in the strategic plan, with the actual result.

Guidelines (Outcome Measures). The following considerations will guide the development of outcome measures:

1. Outcome measures should be directly related to an agency's objectives and, ultimately, to its goals.
2. They should be reliable indicators (that is, consistent over time) of the objective to be measured.
3. They should be quantifiable, and the information needed to support them must be available or obtainable without undue expenditure of agency resources.
4. Outcome measures must be clearly formulated and readily understood.
5. They should lead to a valid conclusion about an agency's past or current actions and facilitate budget decisions for future actions.

Strategies and Output Measures

Description (Strategies). Strategies are the methods or means an agency employs for transforming inputs into outputs and outcomes. Thus, objectives indicate what the agency wants to achieve and the strategies indicate how objectives will be achieved.

Guidelines (Strategies). The following considerations will guide the development of strategies:

1. Strategies should be action-oriented, not procedural, in nature.
2. More than one strategy may be needed to accomplish a particular objective.
3. Strategies should be undertaken with a view to any constraints identified in the external/internal assessment.
4. Strategies should be chosen on the basis of their potential benefit, as compared with other possible strategies, in accomplishing objectives.
5. Strategies also should be chosen on the basis of their cost or other consequences, as compared with other alternative strategies, in accomplishing objectives.
6. Strategies are supported and financed by inputs, the budgetary resources the agency requests in its budget submission, and there should be a clear and direct linkage between the inputs requested and the outputs that are estimated to be produced.
7. Inputs must include all budgetary resources, direct and indirect, that are necessary in carrying out the strategy--for example, capital facilities and equipment.
8. Strategies should fall within an agency's enabling statutes.
9. Strategies must be clear and readily understandable by customers.
10. Each strategy should be stated in a maximum of two sentences.

Description (Output Measures). Output measures indicate quantitatively the amount of goods and services produced by an agency. They are used to evaluate the effectiveness of agency strategies, and they measure efficiency by the ratio of goods and services produced (output) divided by input.

Outputs are what the agency produces as an intermediate step to outcomes, which ultimately benefit the agency's clientele.

Guidelines (Output Measures). The following considerations will guide the development of output measures:

1. Output measures should be directly related to an agency's strategies.
2. Output measures should be reliable indicators (that is, consistent over time) of the strategy to be measured.
3. Output measures should be quantifiable (in unit cost terms, if possible), and the information needed to support them must be available or obtainable without undue expenditure of agency resources. Generally, the information supporting outputs is more readily available or easily obtainable than that needed for outcomes.
4. Output measures must be clearly formulated and readily understandable.
5. Output measures should lead to a valid conclusion about an agency's past or current strategies and facilitate budget decisions for future strategies.

It may be useful at this point to emphasize, by way of example, the distinction between outcomes and outputs, because both are a result of agency actions and could be confused. Most performance indicators included in agency budget submissions to date are outputs measuring workload, not outcomes.

Output: Percentage of high school students who graduate.

Outcome: Percentage of students attaining a specified level of knowledge or mastery of skills in certain subjects upon graduation.

Output: Number of vaccinations administered.

Outcome: Percentage reduction in the incidence of the disease after vaccinations are administered.

Output: Number of patients treated in a mental hospital.

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Outcome: Number of patients able to function independently after treatment in a mental hospital.

Service Delivery. The following diagram is intended to depict the proper relationship between various elements of an agency's service delivery system, particularly with respect to outcomes. Note the relationship between inputs--representing budgetary resources in support of people, time, space, and information--and outputs. It also shows the relationship between outputs, as an immediate product of the agency's effort, and outcomes, the effect the service has on the agency's clientele.

Service Delivery System and Outcomes

Agency Delivery System
(Processes within the Agency)

Outcomes
(Results outside the Agency)

Inputs	Input Indicators	Agency Activities	Outputs	Output Indicators
Personnel	\$ for salaries	Transportation: Road Repair	Lane-miles of road repair	No. of lane-miles repaired per \$ expended
Supplies	\$ for asphalt/aggregate			
Facilities	\$ for capital projects			

Outcomes	Outcome Indicators
Quality or condition of roads	Percentage of lane-miles in good condition

Efficiency
("Doing things right")

Effectiveness
("Doing the right things")

Another type of indicator measures efficiency. An efficiency measure is generally stated as a ratio of output to input at the margin or as an average. In the example above, the cost per lane-mile of road repaired is an efficiency measure.

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Checklist for Good Performance Measurement. Well-developed performance indicators, both outcome and output, should include the following characteristics:

Relevance	Should include data essential for understanding the accomplishment of goals and objectives; should be management's representation of performance.
Understandability	Should be communicated in a concise but readily understandable manner.
Comparability	Should provide a clear frame of reference for assessing performance.
Timeliness	Should be available to users in time to make decisions and assess accountability.
Consistency	Should be reported consistently from period to period; should be reviewed regularly and modified or replaced as needed to reflect changing circumstances.
Reliability	Should be derived from systems that produce controlled and verifiable data.
Comprehensibility	Should be comprehensive enough to be a fair representation of the agency's overall effort.

Allocation Levels. Another dimension of the strategic planning process is the system of allocation levels, A, B, and C and how they relate to the service delivery system. The allocation levels are expressions of budgetary input. There needs to be a clear linkage between the level of budgetary inputs at each of the allocation levels and the anticipated outputs and outcomes for a given budget issue or program. Only in this way can rational decisions be made within limited budgetary resources at the different levels, with a clear understanding of the effect of those inputs on outputs and outcomes.

Action Plans

Description. Action plans specify detailed cost and expenditure information. Strategies are divided into manageable parts for coordinated

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implementation of goals and objectives. Involved are staff assignments, material resource allocation, and schedules for completion.

Guidelines. Action plans are input-oriented and provide a detailed description of how a strategy will be implemented. They outline the specific tasks, responsibility assignments, and timeframes that will be followed. They are retained at the agency level, providing back-up information to the published strategic plan. Agency action plans are to include, but are not limited to, linkages to requests for legislative appropriations and capital improvement plans.

Examples of the elements of strategic planning are included in a sample budget in PART IV: BUDGET PREPARATION.

NARRATIVE INFORMATION—DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

Kansas Parks and Resources Authority

AGENCY NAME _____
AGENCY NUMBER 79900 FUNCTION NO. 5
PROGRAM TITLE AND NUMBER _____
SUBPROGRAM TITLE AND NUMBER _____

1

PAGE

AGENCY MISSION:

To conserve and enhance Kansas' natural heritage, its wildlife and its habitats -- to assure future generations the benefits of the state's diverse, living resources; to provide the public with opportunities for use and appreciation of the natural resources of Kansas, consistent with the conservation of those resources; and to inform the public of the status of the natural resources of Kansas to promote understanding and gain assistance in achieving this mission.

AGENCY PHILOSOPHY:

The Kansas Park and Resources Authority will act in accordance with the highest standards of ethics, accountability, efficiency, and openness. We affirm that the protection of the state's natural resources is a public and private trust. We approach our activities with a deep sense of purpose and responsibility. The public and its communities alike can be assured of a balanced and sensible approach to regulation.

PROGRAMS ESTABLISHED TO ASSIST WITH AGENCY MISSION:

- Administration
- Parks and Public Lands
- Fisheries and Wildlife
- Education and Public Affairs
- Law Enforcement

STATUTORY HISTORY: (also provide statutory references significant to agency operations)

KSA 74-4501 establishes the Kansas Park and Resources Authority the purpose of conserving natural resources, planning their development, and providing for their use and enjoyment by the people of Kansas.

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NARRATIVE INFORMATION—DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME Kansas Parks and Resources Authority
 AGENCY NUMBER 79900 FUNCTION NO. 5
 PROGRAM TITLE AND NUMBER _____
 SUBPROGRAM TITLE AND NUMBER _____

2
PAGE

PARKS AND PUBLIC LANDS PROGRAM:

GOAL:

To aggressively manage and protect the state's public lands, waters, and associated wildlife and plant communities, and provide a diversity of quality outdoor recreation with special regard to natural resources protection.

OBJECTIVE #1:

To provide quality and diverse outdoor recreation that meets measured public demand and increase public land user days by at least 5 percent over the current five-year average by FY 1998.

Strategies for Objective #1:

1. Plan and develop additional or improve existing facilities consistent with resources and demand.
2. Develop recreation planning teams incorporating private groups and local state and federal governments to evaluate regional needs for facilities and services.

Performance Measures for Objective #1:

OUTCOMES MEASURES:

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996A</u>	<u>FY 1996B</u>	<u>FY 1996C</u>	<u>FY 1997</u>	<u>FY 1998</u>
-Percent of campers turned-away due to full sites	18	19	20	20	11	10	10
-Number of public land user days	39,000	40,000	36,000	40,000	45,000	50,000	50,000
-Percent of deer applications denied	50	50	50	50	45	40	40

OUTPUT MEASURES:

-Number of new campsites developed	6	5	2	5	6	2	2
-River access acreage acquired	6,000	6,500	6,000	6,200	7,000		
-Urban fishing programs established	1,000	1,500	1,200	1,200	2,000	2,050	7,100
-Hunting acres acquired	50,000	50,000	50,000	52,000	55,000	57,000	57,000

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NARRATIVE INFORMATION—DA 400

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME Kansas Parks and Resources Authority
 AGENCY NUMBER 79900 FUNCTION NO. 5
 PROGRAM TITLE AND NUMBER _____
 SUBPROGRAM TITLE AND NUMBER _____

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PAGE

OBJECTIVE #2:

To develop and begin implementation of management plans for all Department properties by FY 1996.

Strategies for Objective #2:

1. Develop recreation planning teams incorporating private groups and local, state and federal governments to evaluate regional needs for facilities and services.

Performance Measures for Objective #2:

OUTCOME MEASURES:

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996A</u>	<u>FY 1996B</u>	<u>FY 1996C</u>	<u>FY 1997</u>	<u>FY 1998</u>
-Percent of "Year 2000" management plan complete	--	--	25	25	45	75	100

OUTPUT MEASURES:

-Public hearings conducted	--	--	5	5	10	5	5
----------------------------	----	----	---	---	----	---	---

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02-5

SHEILA HOCHHAUSER
 REPRESENTATIVE, 66TH DISTRICT
 1636 LEAVENWORTH
 MANHATTAN, KANSAS 66502
 (913) 539-6177 HOME
 (913) 296-7687 TOPEKA OFFICE



TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 MEMBER: APPROPRIATIONS
 LEGISLATIVE POST AUDIT
 RULES AND JOURNAL

Testimony on HB 2419
 House Appropriations Committee
 February 21, 1995

Mr. Chairman, Colleagues on the Appropriations Committee:

Thank you for your attention. Among many other legislators I was prompted to introduce House Bill 2419 due to significant problems brought to my attention by the Division of Facilities at Kansas State University.

The provisions of SB 824, passed by the Legislature in 1994, prohibit paid holidays and sick or annual leave from being counted as hours for the purpose of determining whether a state employee has worked more than 40 hours and is therefore eligible to receive overtime compensation. This was a major change in state policy. Before the passage of SB 824, paid holidays and sick and annual leave were counted for the purpose of determining if overtime compensation was due to an employee.

The easiest way to understand the problems created by this change in policy is to use an example. Let us suppose Christmas falls on a Tuesday. As Christmas is a paid holiday, an employee will not work Tuesday. If that employee has worked a full day Monday, Wednesday, Thursday, and Friday he has worked only 32 hours. When the Division of Facilities supervisor calls him at 2:00 a.m. Saturday to tell him that the boiler has broken down and he is needed to repair it immediately, a problem arises because he will not be paid overtime for this middle-of-the-night, weekend work, he does not want to come in. And he may not come in to work.

Although SB 824 was sold as a measure to save the state money, in fact, as in the example I just described, it may end up costing the state money. The Facilities Supervisor must get the boiler fixed. She will perhaps call in a private boiler repair company. The company will no doubt charge more

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per hour than the state employee earns. In addition, company personnel will not be as familiar with the boiler and may take longer to fix it than the state employee.

HB 2419 is drafted to reverse the overtime policy change made by SB 824 for essential state employees only. It is necessary legislation for not only boiler repair employees, but for employees who perform snow removal, direct patient care, and prison inmate supervision. It will not change the law set out in SB 824 that restricts on overtime for non-essential employees.

I urge your favorable consideration of HB 2419. One of my mother's favorite sayings applies here. Failure to pass it and change the effect of SB 824 may well be "pennywise and pound foolish."

TESTIMONY OF
STEVE MCKINZIE
OF THE
KANSAS STATE TROOPERS
ASSOCIATION

PRESENTED BEFORE THE
HOUSE APPROPRIATIONS
COMMITTEE

HB 2419

FEBRUARY 21, 1995

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KANSAS STATE TROOPERS ASSOCIATION

Mr. Chairman and members of the committee, I am Master Trooper Steve McKinzie, President of the Kansas State Troopers Association. I thank you for the opportunity to offer our position on the proposed legislation of HB 2419. I have prepared two sets of time sheets. The first set applies to law enforcement personnel and the second to typical 40-hour employees. Hopefully these examples will clarify the effects of HB 2419.

For years Troopers have been allowed to accrue 9 hours per day towards the overtime threshold when absent from work using premium time. Premium time can be any of the following: sick, vacation, holidays, military leave, jury duty, or funeral leave. The justification for the extra time came by way of troopers working more hours than regular employees but not earning more premium benefits. That rule was reinforced by the Department of Administration under Governor Finney when the rule was changed last year. We pleaded with the Finney administration to either exempt or work out the disparities to law enforcement when SB 824 was under consideration, but to no avail. Beginning January 1 of 1995 the rules changed again. Currently we compute only 8 hours for those premium days, although we work 9 hours.

A trooper's overtime threshold is established at 171 hours in a twenty-eight day work period while the regular 40-hour employee threshold is set at 40 hours in a seven day work period. A trooper's overtime threshold is established by way of the 207(k) exemption to the Fair Labor Standards Act of 1938. FLSA sets out that premium time absent from the work place may not be counted toward that threshold. The State has adopted this allowance in 1994 SB 824, new section three.

I have provided two examples of the new 171 hour computation format for troopers (1a and 2a) as compared to the regular 40-hour state employee (1b and 2b) and the effects of HB 2419 (1c and 2c). A state pay period starts on the 18th of a month and ends the 17th of the following month. You may not be aware that Kansas troopers work on the average 186 hours per pay period (171 in 28 days) while other non law enforcement employees work an average of 173.3 hours per pay period (40 hours weekly). In a year troopers work a minimum of 143 hours more than a 40-hour employee.

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The samples demonstrate the harsh effects to troopers when used benefits allow absence from the work place. We appreciate the State's position in using the provisions of FLSA to prevent the earning of overtime pay when some of the time was not actually worked but was earned from time previously worked. The additional hours worked within the work period, but not over the threshold, should then be paid at straight time. However, the application of the current policy creates disparity due to the different work periods between troopers and regular 40-hour employees.

In example 1a, a trooper will work six additional hours in the 28 day period under the current system. The trooper will be paid straight time for 4 hours and forfeit credit for 2 hours worked. 1b compares the trooper to a 40-hour employee who receives 2 hours overtime pay and 4 hours straight time pay. 1c demonstrates the changes after HB 2419 would take effect. The trooper will be paid for 4 hours of overtime and only lose the 2 hours that are not counted because of the addition of only 8 hours for premium time rather than 9 hours. In example 2, please note the 40-hour employee will earn overtime at the rate of 1 1/2 their regular rate of pay. The trooper will be paid nothing for his equal 6 hours of service. If I may point out, the trooper has already worked 11 hours beyond what the regular 40-hour employee is scheduled for in an equivalent period of time.

The deprivation of equality clearly increases the disadvantage to the trooper. We are not a group of employees who seek additional benefits. I only ask for fairness for a group of employees who already give more time to the citizens of Kansas. Please consider also that troopers normally have no control over their overtime. We do not plan arrests or calls for emergency service. Above all we ask only for fairness.

Thank you again for the opportunity to address this committee. Should you have any questions, I would be most pleased to answer them.

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Work Period, Workweek, Time Reporting*

Sample 1a 171 hrs.

Workweek or Work Period	Work Time ***	All Other Leaves, Holidays, Comp Time Used	Standby Hours	Shift Differential Hours	Overtime Hours	Straight Time Additional Hours
Day 1	9					
Day 2	9					
Day 3	9					
Day 4	9					
Day 5	9					
Day 6	9					
Day 7	0					
SUBTOTAL						
Day 8 (1)	0					
Day 9 (2)	0					
Day 10 (3)	9					
Day 11 (4)	9	1				
Day 12 (5)	11					2
Day 13 (6)	9					
Day 14 (7)	9					
SUBTOTAL						
Day 15 (1)	9					
Day 16 (2)	0					
Day 17 (3)	0					
Day 18 (4)	0					
Day 19 (5)	13					4
Day 20 (6)	9					
Day 21 (7)		8 Vacation				
SUBTOTAL						
Day 22 (1)		8 Sick				
Day 23 (2)	9					
Day 24 (3)	9					
Day 25 (4)	9					
Day 26 (5)	0					
Day 27 (6)	0					
Day 28 (7)	0					
SUBTOTAL	159	16			0	4

28 DAY TOTAL

175

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Day (1)						
Day (2)						
Day (3)						
Day (4)						
Day (5)						
Day (6)						
Day (7)						
SUBTOTAL						

- * For non-exempt employees only
- * For work period/weeks ending within a pay period
- *** Does NOT include leaves, holidays, or comp time usage

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Work Period, Workweek, Time Reporting*

Sample 2a 171 hrs.

Workweek or Work Period	Work Time ***	All Other Leaves, Holidays, Comp Time Used	Standby Hours	Shift Differential Hours	Overtime Hours	Straight Time Additional Hours
Day 1	9					
Day 2	9					
Day 3	9					
Day 4	13					4
Day 5	9					
Day 6	9					
Day 7	0					
SUBTOTAL						
Day 8 (1)	0					
Day 9 (2)	0					
Day 10 (3)	9					
Day 11 (4)	9	1				
Day 12 (5)	11					2
Day 13 (6)	9					
Day 14 (7)	9					
SUBTOTAL						
Day 15 (1)	9					
Day 16 (2)	0					
Day 17 (3)	0					
Day 18 (4)	0					
Day 19 (5)		8 VACATION				
Day 20 (6)		8 VACATION				
Day 21 (7)		8 VACATION				
SUBTOTAL						
Day 22 (1)		8 VACATION				
Day 23 (2)		8 VACATION				
Day 24 (3)		8 VACATION				
Day 25 (4)		8 VACATION				
Day 26 (5)	0					
Day 27 (6)	0					
Day 28 (7)	0					
SUBTOTAL					0	0
28 DAY TOTAL	114	56	=	170		(6)

Day (1)						
Day (2)						
Day (3)						
Day (4)						
Day (5)						
Day (6)						
Day (7)						
SUBTOTAL						

* For non-exempt employees only
 * For work period/weeks ending within a pay period
 *** Does NOT include leaves, holidays, or comp time usage

5-5

Work Period, Workweek, Time Reporting*

Sample 1b 40 hrs.

Workweek or Work Period	Work Time ***	All Other Leaves, Holidays, Comp Time Used	Standby Hours	Shift Differential Hours	Overtime Hours	Straight Time Additional Hours
Day 1	8					
Day 2	8					
Day 3	8					
Day 4	8					
Day 5	8					
Day 6	0					
Day 7	0					
SUBTOTAL	40				0	0
Day 8 (1)	8					
Day 9 (2)	10					
Day 10 (3)	8					
Day 11 (4)	8	1				
Day 12 (5)	8					
Day 13 (6)	0					
Day 14 (7)	0					
SUBTOTAL	42				2	0
Day 15 (1)	8					
Day 16 (2)	8					
Day 17 (3)	12					
Day 18 (4)	8					
Day 19 (5)		8 VACATION				
Day 20 (6)	0					
Day 21 (7)	0					
SUBTOTAL	36	8			0	4
Day 22 (1)	8					
Day 23 (2)	8					
Day 24 (3)	8					
Day 25 (4)		8 SICK				
Day 26 (5)	8					
Day 27 (6)	0					
Day 28 (7)	0					
SUBTOTAL	32	8			0	0
28 DAY TOTAL	150	16		(160 + 6)	2	4

Day (1)						
Day (2)						
Day (3)						
Day (4)						
Day (5)						
Day (6)						
Day (7)						
SUBTOTAL						

* For non-exempt employees only
 ** For work period/weeks ending within a pay period
 *** Does NOT include leaves, holidays, or comp time usage

5-6

Work Period, Workweek, Time Reporting*

Sample 2b 40 hrs.

Workweek or Work Period	Work Time ***	All Other Leaves, Holidays, Comp Time Used	Standby Hours	Shift Differential Hours	Overtime Hours	Straight Time Additional Hours
Day 1	8					
Day 2	8					
Day 3	8					
Day 4	8					
Day 5	8					
Day 6	0					
Day 7	0					
SUBTOTAL	40					
Day 8 (1)	8				0	
Day 9 (2)	10				2	
Day 10 (3)	8					
Day 11 (4)	8					
Day 12 (5)	8					
Day 13 (6)	0					
Day 14 (7)	0					
SUBTOTAL	42				2	
Day 15 (1)	8					
Day 16 (2)	8					
Day 17 (3)	12				4	
Day 18 (4)	8					
Day 19 (5)	8					
Day 20 (6)	0					
Day 21 (7)	0					
SUBTOTAL	44				4	
Day 22 (1)		8 VACATION				
Day 23 (2)		8 VACATION				
Day 24 (3)		8 VACATION				
Day 25 (4)		8 VACATION				
Day 26 (5)		8 VACATION				
Day 27 (6)		0				
Day 28 (7)		0				
SUBTOTAL		40				
28 DAY TOTAL	126	40	=	166	6	

Day (1)						
Day (2)						
Day (3)						
Day (4)						
Day (5)						
Day (6)						
Day (7)						
SUBTOTAL						

* For non-exempt employees only
 * For work period/weeks ending within a pay period
 *** Does NOT include leaves, holidays, or comp time usage

5-7

Work Period, Workweek, Time Reporting*

Sample 1c 171 hrs., HB 2419

Workweek or Work Period	Work Time ***	All Other Leaves, Holidays, Comp Time Used	Standby Hours	Shift Differential Hours	Overtime Hours	Straight Time Additional Hours
Day 1	9					
Day 2	9					
Day 3	9					
Day 4	9					
Day 5	9					
Day 6	9					
Day 7	0					
SUBTOTAL						
Day 8 (1)	0					
Day 9 (2)	0					
Day 10 (3)	9					
Day 11 (4)	9					
Day 12 (5)	11				2	
Day 13 (6)	9					
Day 14 (7)	9					
SUBTOTAL						
Day 15 (1)	9					
Day 16 (2)	0					
Day 17 (3)	0					
Day 18 (4)	0					
Day 19 (5)	13					
Day 20 (6)	9				4	
Day 21 (7)		8 VACATION				
SUBTOTAL						
Day 22 (1)		8 SICK				
Day 23 (2)	9					
Day 24 (3)	9					
Day 25 (4)	9					
Day 26 (5)	0					
Day 27 (6)	0					
Day 28 (7)	0					
SUBTOTAL	159	16			4	

28 DAY TOTAL

175

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Day (1)						
Day (2)						
Day (3)						
Day (4)						
Day (5)						
Day (6)						
Day (7)						
SUBTOTAL						

- * For non-exempt employees only
- * For work period/weeks ending within a pay period
- *** Does NOT include leaves, holidays, or comp time usage

5-8

Work Period, Workweek, Time Reporting*

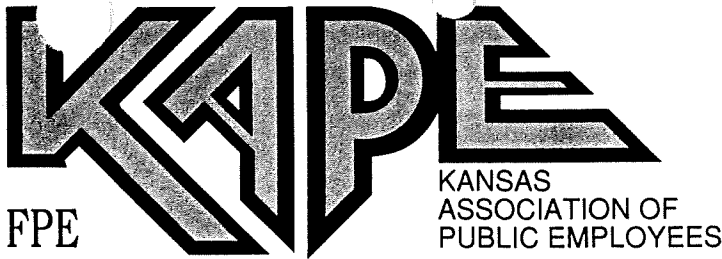
Sample 2c 171 hrs., HB 2419

Workweek or Work Period	Work Time ***	All Other Leaves, Holidays, Comp Time Used	Standby Hours	Shift Differential Hours	Overtime Hours	Straight Time Additional Hours
Day 1	9					
Day 2	9					
Day 3	9					
Day 4	13					4
Day 5	9					
Day 6	9					
Day 7	0					
SUBTOTAL						
Day 8 (1)	0					
Day 9 (2)	0					
Day 10 (3)	9					
Day 11 (4)	9	1				
Day 12 (5)	11					2
Day 13 (6)	9					
Day 14 (7)	9					
SUBTOTAL						
Day 15 (1)	9					
Day 16 (2)	0					
Day 17 (3)	0					
Day 18 (4)	0					
Day 19 (5)		8 VACATION				
Day 20 (6)		8 VACATION				
Day 21 (7)		8 VACATION				
SUBTOTAL						
Day 22 (1)		8 VACATION				
Day 23 (2)		8 VACATION				
Day 24 (3)		8 VACATION				
Day 25 (4)		8 VACATION				
Day 26 (5)	0					
Day 27 (6)	0					
Day 28 (7)	0					
SUBTOTAL						
28 DAY TOTAL	114	56 =	170		0	0

Day (1)						
Day (2)						
Day (3)						
Day (4)						
Day (5)						
Day (6)						
Day (7)						
SUBTOTAL						

* For non-exempt employees only
 * For work period/weeks ending within a pay period
 *** Does NOT include leaves, holidays, or comp time usage

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1300 South Topeka Avenue Topeka, Kansas 66612 913-235-0262 Fax 913-235-8788

KELLY JENNINGS
KANSAS ASSOCIATION OF PUBLIC EMPLOYEES
In Support of
House Bill 2419
February 21, 1995

Mr. Chairman, members of the committee, good morning. My name is Kelly Jennings and I stand before you this afternoon on behalf of the Kansas Association of Public Employees in support of House Bill 2419.

HB2419 proposes to restore overtime calculation based on "hours in pay status" versus "hours in work status" to those employees performing essential services. Prior to January of this year all employees received overtime based on "hours in pay status."

An example of how this change in overtime calculation is as follows:

An employee uses an annual leave day or a sick leave day on Tuesday. Saturday the employee is called in for an extra eight hour shift. As compensation for the week the employee would receive 40 hours regular pay, deduction of the sick/annual leave, and regular pay for the extra shift on Saturday. No overtime pay



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would be received for the Saturday shift because the employee would not have had 40 hours "in work status."

This change has had a demoralizing effect on hard working dedicated state employees. Employees falling in the category of "essential services" have no control over when they may be called out for extra shifts. Law enforcement personnel must respond to emergency situations which may extend past regular working hours. Highway crews must report to work when extreme weather conditions occur. Correctional officers must insure our facilities are safe and all positions appropriately manned. These employees deserve just compensation for the extra hours they put in.

In order to maintain the quality of services that all Kansas citizens have come to enjoy, it is vital that the employees performing these services be properly compensated. Dedication and loyalty are a two way street. It becomes difficult for employees to continue putting in those extra hours when no reward or recognition is received.

A dedicated, efficient workforce is achieved through fair treatment and proper compensation. KAPE supports the favorable passage of HB2419. I would be happy to answer any questions you may have.

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Testimony To The
SENATE WAYS AND MEANS COMMITTEE

By
Bobbi Mariani
Division of Personnel Services

Tuesday, February 21, 1995
RE: House Bill 2419

Mr. Chairperson and members of the committee, thank you for the opportunity to appear before you today. My name is Bobbi Mariani, and I am the Acting Assistant Director of the Division of Personnel Services.

The Department of Administration wishes to express concerns with House Bill 2419 which relates to overtime compensation for law enforcement employees in the Department of Corrections, the Department of Transportation, the Department of Social and Rehabilitation Services and any other employees the Secretary of Administration determines to be essential to the public safety and welfare of the people of Kansas.

The bill would allow for time spent on Holidays and on other types of paid leave to count towards time worked in determining the amount of overtime worked for designated employees. This amendment basically reverses K.S.A. 1994 Supp. 75-5537 which was passed last session to bring the State of Kansas in line with the Fair Labor Standards Act (FLSA) and to allow for cost savings in overtime compensation. In effect, the proposed bill revokes the provisions of the law passed last year for designated positions.

The FLSA requires that only time actually worked needs to be counted in determining the amount of overtime worked. Prior to this, the state had been paying above and beyond overtime threshold required by federal law. According to a 1993 survey of overtime practices, Kansas was the only state of the eight surrounding states that included all hours in-pay-status when determining whether overtime was due to the employee. This also means that a few classified employees covered by the Civil Service Act will have the overtime threshold one way and other classified employees, the majority, will have a more liberal interpretation.

It is estimated that with the passage of last year's bill, the state can save \$2.9 million per year. Because the changes have only been in effect since January 18 of this year, we do not have enough time to calculate the actual savings and evaluate the results from the new way of counting overtime hours. Employees who would be exempt from last year's provision based on this new proposed legislation make up approximately 94% of all employees who receive overtime compensation.

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Because this bill would allow these designated employees to count paid leave towards overtime threshold, we believe that the state will incur in costs for overtime compensation \$2.7 million of the expected savings of \$2.9 million. This does not represent fiscally responsible policy making efforts, but rather takes a step backwards.

Thank you for allowing me this time. I would be happy to answer any questions you may have.

STATE OF KANSAS



DEPARTMENT OF WILDLIFE & PARKS

OFFICE OF THE SECRETARY

900 SW Jackson St., Suite 502 / Topeka, Kansas 66612 - 1233
(913) 296-2281 / FAX (913) 296-6953

TO: Members of the House Committee on Appropriations

FROM: John K. Strickler, Acting Secretary of Wildlife and Parks

SUBJECT: Comments on House Bill No. 2419

DATE: February 21, 1995

House Bill No. 2419 amends existing State law (KSA 1994 Supp. 75-5537) pertaining to computation of overtime for employees. In addition, the bill would require amendment to K.A.R. 1-5-24 which became effective January 18, 1995.

HB 2419 would create a class of state employees, defined as performing essential services, which would be exempt from the provisions of state law and regulation pertaining to the computation of overtime payments. Currently for all employees of the Department of Wildlife and Parks, overtime is determined by the provisions of K.A.R 1-5-24. This regulation states that only hours actually worked may be considered in determining whether overtime compensation is due for any employee.

The provisions of HB 2419 would allow the law enforcement employees of the Department to have their overtime compensation computed on a different base than other employees. The Department has employees, other than law enforcement, who perform duties which are considered essential to providing public services.

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The provisions of HB 2419 would have minimal fiscal impact to the Department. The Department is not budgeted for overtime payments and would utilize supervisory management to prevent employees from exceeding the regularly scheduled workweek except in the instance of emergencies. The KDWP is opposed to the bill.