

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on January 25, 1995 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Kathy Porter, Legislative Research Department
Leah Robinson, Legislative Research Department
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Sharon Patnode, Ellyn Sipp and Cindy Denton, Legislative Post Audit

Others attending: See attached list

It was moved by Senator Moran and seconded by Senator Karr that the minutes of January 23, 1995 be approved. The motion carried on a voice vote.

Sharon Patnode, Division of Post Audit, distributed copies of the performance audit report "Assessing the Department of Wildlife and Parks' Compliance With Certain Federal Requirements Related to Fish and Wildlife Programs," revised December 1994. This document is on file with the Division of Post Audit. Ms. Patnode reviewed the historical background leading up to the Legislature's 1994 request for a Post Audit study as well as the conclusions and recommendations made in response to the three questions which were the scope of the study. She stated that a memorandum of understanding between the Department and the Federal Fish & Wildlife Service was signed in October. This agreement states that subject to legislative appropriation, the Department would repay the Wildlife Fee Fund \$2.4 million. However, it also says that the amount to be repaid would be adjusted based on the Post Audit study and on the U.S. Fish & Wildlife Service's determination that the audit was conducted in accordance with accepted government auditing standards. In early November, the representatives from the U.S. Fish and Wildlife Service and the U.S. Inspector General's Office reviewed the Post Audit worksheet. There has been no official response at this date; however, a representative from the Inspector General's Office has said that he would recommend to the U.S. Fish and Wildlife Service that the Post Audit report is reliable, though it could possibly be adjusted upwards because of other monies that were beyond the scope of the audit. In answer to a question, Ms. Patnode stated that if the Attorney General agrees with the audit report, the anticipated liability of \$2.4 million can be reduced, but there is potential additional liability for the fiscal years 1993 and 1994.

In discussing the conclusions of the audit team regarding the second question, it was noted that the minimum level of state funding on fisheries is a requirement of the federal government and is permanent. Concern was expressed about the "reasonableness" of the required minimum as the Department had fallen short of that expenditure by a total of \$3.5 million over seven years. There was lengthy discussion regarding the \$3.5 million shortfall in state fishery expenditures from fiscal year 1986 to 1992. Allan Foster, Legislative Post Audit, explained that because there was no monitoring by either the state department or the federal government of the amount of money spent on fisheries, the federal government reimbursed the state for claims though the state never spent the \$1.9 annual minimum on fisheries for the seven year period. Now the state must spend an additional \$3.5 million over three years on fishery projects to make up the shortfall. The Legislature in 1994 began the process of appropriating monies for this purpose.

Ms. Patnode told members that the Division is in the process of completing a second audit report and distributed copies of the revised scope statement of the K-GOAL audit (Attachment 1).

Ellyn Sipp, Division of Post Audit, reviewed the performance audit report "Reviewing the Operations of the Board of Indigents' Defense Services," dated September 1994. This report is on file in the office of the Division of Post Audit. Ms. Sipp highlighted the five questions which were the focus of the audit and

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on January 25, 1995.

reviewed the conclusions and recommendations made by the audit team.

Cindy Denton, Division of Post Audit, presented an overview of the performance audit report, "Reviewing the Operations of the Kansas Parole Board," dated December, 1994. This report is on file with the Division of Post Audit. In answer to a question, Ms. Denton said that 1994 legislative appropriation for computerization of the Parole Board was not a line-item and the Board used most of the money for operating costs. Members of the Committee discussed the audit team's recommendation to replace a Board member with a professional person whose salary would be less. Sherman Parks, Chairman of the Parole Board, reviewed the Board's responsibility as gatekeeper for potential parolees and the effect of Sentencing Guidelines upon their activities and duties.

The Chairman adjourned the meeting at 12:05 P.M. The next meeting is scheduled for January 30, 1995.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: JANUARY 25, 1995

NAME	REPRESENTING
Leo Napiew	Legislative Post Audit
Scott Bennett-Roth	Bd. of Landowners' Defense
W. [unclear]	Leg Post Audit
Allyn Sjys	Legislative Post Audit
RANDY LONGIER	POST AUDIT
Shaun Patnode	Post Audit
ALAN FOSTER	Post Audit
H. L. Huettner	Bottle & Lake Assoc
William C. Long	Riley County Fish & Game Assn
John Strickler	Kansas Dept. Wildlife & Parks
Brian Bohseck	Kansas Dept. Wildlife & Parks
Dick Koerth	Kansas Dept. Wildlife & Parks
Mal Cothery	BIDS
Scott Alisoglu	DOB
SHERMAN A. PACKS, JR	Ks Parole Board - chairman
Michael Ross	Kes Parole Board Dir.
Deather Gray	Sen. Karry

**REVISED
SCOPE STATEMENT**

**Reviewing Issues Relating to the Financial Management,
Efficiency, and Effectiveness of the
Kansas Department of Wildlife and Parks**

In 1987, then-Governor Hayden signed an Executive Order merging the former Park and Resources Authority and Fish and Game Commission into the Department of Wildlife and Parks. The Department is responsible for the State's outdoor recreational activities and for promoting natural resources and enforcing laws to protect them. It is funded primarily through user fees, federal grants and reimbursements, and State tax dollars.

Legislative concerns have been expressed about several aspects of the Department's efficiency, effectiveness, and financial management. This scope statement focuses on ways to improve operations and achieve potential savings while maintaining the existing single-agency structure. (In April 1994, the Legislative Post Audit Committee also approved an audit reviewing the extent to which hunting and fishing license fees have been diverted, problems with the Department's financial management and accounting practices that contributed to the diversion, and reasons why the Department failed to ensure the State spent \$1.8 million a year on fisheries. These items were raised by federal auditors and program officials in the U.S. Department of the Interior.) A performance audit in this area would address the following questions:

- 1. Has the Department of Wildlife and Parks established adequate and appropriate financial management practices related to State parks and fish and game activities?** By reviewing budgetary and financial records, systems, and transactions, and by performing other audit work as needed, we would attempt to address legislative concerns that the Department has commingled parks and fish and wildlife funds over the years rather than keeping them separate. Other concerns relate to whether the Department is maintaining excessive balances in its various funds when it could be spending those funds on parks or fish and game activities.
- 2. Have the potential savings and efficiencies from merging the Park and Resources Authority and the Fish and Game Commission been achieved, and can the agency be structured more efficiently?** Our audit work would attempt to address legislative concerns that the merger did not result in any overall savings or in a more efficient or streamlined agency. Concerns have been raised about such things as the number of administrative and management staff growing rather than being reduced, some divisions being more top-heavy than others, too many "layers" existing between field staff and the Secretary, and the current administrative structure hampering employees' ability to carry out their jobs. Another major concern is that parks staff and fish and game staff may not be working cooperatively because federal restrictions limit the amount of "cross-over" that can occur, or because Department personnel or management practices have had a negative effect on employee morale and working relationships. Audit work addressing this latter concern would include surveying current and former employees.
- 3. Are the primary missions, goals, and objectives of the State's parks and fish and game areas being met, and if not how can those operations be improved?** Our audit work would attempt to address legislative concerns that there may be too little money or staff allocated (or not enough of the right type of staff) to properly serve, maintain, and patrol the State parks, fish and game areas, or both. A similar concern relates to whether the parks or the fish and game areas have grown or benefitted at the expense of the other, including the disposition or allocation of buildings, vehicles, and major pieces of equipment after the merger. Other concerns have been raised about the people who use the State's parks and fish and wildlife areas, especially relating to their satisfaction with and usage of these resources. Audit work addressing this concern would include surveying a variety of user groups.

SWAM
January 25, 1995
Attachment 1

4. **How many other states have combined park and fish and game operations, and do their organizations and structures suggest ways to make the Department of Wildlife and Parks more efficient and effective?** By comparing a sample of other states' structures, staffing levels, staff-management ratios--including administrators to field staff, responsibilities, operations, and the like with the Department, and by performing other audit work as needed, we would attempt to identify areas where Kansas' operations seem to be less efficient or effective, or where other states' experiences suggest improvements that can be made here.

Estimated completion time: 15-18 weeks