Approved: 1-21-97
Date

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION & ELECTIONS.

The meeting was called to order by Chairperson Kent Glasscock at 9:00 a.m. on January 14, 1997 in Room 521-S of the Capitol.

All members were present except:

Committee staff present: Mary Galligan, Legislative Research Department
Mike Heim, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Fulva Seufert, Committee Secretary

Conferees appearing before the committee: Ms. Sharon Patnode, Senior Auditor, State of Kansas
Mr. Joe Lawhon, Senior Auditor, State of Kansas
Mr. Blake Henning, Kansas Conservation Commission
Mr. Nick Kramer, Kansas Department of Revenue

Others attending: See attached list

The Chairperson, Rep. Kent Glasscock, opened the meeting at 9:10 a.m. with a welcome to all the committee members. He introduced Rep. Ralph Tanner, Vice Chairperson, and Rep. Gwen Welshimer, Ranking Minority Member. Chairperson Glasscock also introduced the following staff: Mary Galligan, Mike Heim, and Dennis Hodgins of Research; Theresa Kiernan, Revisor; and Fulva Seufert, Committee Secretary. Chairperson Glasscock announced that the Committee would be meeting Wednesday and Thursday of this week, and next week the whole Committee will be meeting on Tuesday and Thursday.

Chairperson Glasscock informed the Committee that Rep. Tanner, Rep. Welshimer, and Rep. Glasscock had met and appointed the following Subcommittees: **Elections,** Rep. Ralph Tanner, Chairperson, Rep. Deena Horst, Rep. Ray Cox, Rep. Ruby Gilbert, and Rep. Bonnie Sharp; **Ethics,** Rep. Robert Tomlinson, Chairperson, Rep. Jonathan Wells, Rep. Jim Long, Rep. Ted Powers, and Rep. David Huff; **Campaign,** Rep. Lisa Benlon, Chairperson, Rep. David Haley, Rep. Herman Dillon, Rep. Gerry Ray, and Rep. Larry Campbell.

Chairperson Glasscock asked the Subcommittees to meet as soon as possible, and that he hoped they would work aggressively the first three weeks to have some skeleton bills to bring to the full Committee for discussion.

After a question was asked as to how the Subcommittees were formed, the Chairperson responded by saying that if anyone had a specific preference or expertise in a particular area, then a change could be made. To make a change, Democrats should visit with Rep. Welshimer and Republicans with Rep. Tanner.

Chairperson Glasscock asked Committee members to screen proposed bills very carefully and to give them a three way test-- 1) Is it a problem? 2) Does it need to be done? 3) Can it be done?

Chairperson Glasscock welcomed Ms. Sharon Patnode who presented an overview of the Legislative Division of Post Audit: a K-GOAL Report. She focused on the section concerning the Conservation Commission's effectiveness at meeting the goals established under the State Water Plan. For more information on this Performance Audit Report, please check with the Kansas Legislative Research Department.

The Chairperson next introduced Mr. Joe Lawhon who also reported on the Legislative Division of Post Audit: a K-GOAL Report , and he focused on the section on reviewing sales tax enforcement and collection efforts at the Department of Revenue. (Attachment 1.)

Mr. Blake Henning, Kansas Conservation Commission, and Mr. Nick Kramer, Kansas Department of Revenue, assisted in answering questions from the Committee. Mr. Kramer said that Secretary LaFaver was unable to attend the meeting due to illness.

The Chairperson recognized Rep. Gwen Welshimer who made a motion seconded by Rep. Ralph Tanner to introduce a bill to validate overpayments of compensation of township officers. Motion passed.
Chairperson Glasscock recognized Rep. Ralph Tanner who made a motion for the Committee to introduce a bill similar to 1996 **SB 582** concerning certain employees of the Kansas Commission on Veterans' Affairs. Rep. David Haley seconded and motion passed.

The meeting adjourned at 10:25 a.m.

The next meeting is scheduled for January 15, 1997.

GOV'T. ORGANIZATION & ELECTIONS COMMITTEE
GUEST LIST

DATE: TUESDAY, JANUARY 14, 1997

NAME	REPRESENTING
Joe Lawhon	Legislative Post Audit
John McIntyre	Legislative Post Audit
Sharon Potwode	Legislative Post Audit
Steve Painter	Wichita Eagle
Blake Henning	Conservation Commission
Lola Warner	" "
Rich McKee	KS Livestock Assoc
Nick Kramer	Ks Dept of Revenue
Anne Spiess	Peterson Public Affairs Group

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January 13, 1997

To: House Committee on Governmental Organization and Elections

From: Mary Galligan, Principal Analyst

Re: The Kansas Governmental Operations Accountability Law (K-GOAL)

In 1991, the question of whether to extend the Kansas Sunset Law was considered by an interim committee. The committee recommended that the Sunset Law be terminated and that, in its place, a law be enacted to more accurately reflect legislative practice as it had evolved.

The legislation recommended by the interim committee and amended during the 1992 Session became effective July 1, 1992. Called the "Kansas Governmental Operations Accountability Law" (K-GOAL), its stated purpose is to establish a procedure to ensure that state government serves the public in the most beneficial, efficient, and cost effective way possible. That purpose can be served by:

> . . . periodically reviewing and evaluating the operations of selected state agencies, determining the necessity, propriety and legality of the operations reviewed and evaluated, identifying inefficiency and ineffectiveness, and taking action to retain and maintain appropriate and effective governmental operations, remediate defective governmental operations, and terminate inappropriate or obsolete governmental operations. (K.S.A. 74-7284)

The law sets forth the procedure the Legislature must follow:

1. there must be a performance audit conducted by the Legislative Division of Post Audit of each agency reviewed;

2. agencies subject to review must be reviewed at least every eight years; and

3. an agency subject to review must be evaluated by a committee in each house and a public hearing must be held. The House and Senate Committees on Governmental Organization have conducted these evaluations in prior years.

The law lists factors to be taken into account by the committees conducting the review. They are:

1. whether all operations of the state agency have been authorized by the Legislature and whether the effects of such operations accord with legislative intent;

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2. whether all operations of the state agency are being performed efficiently and effectively and whether any such operations could be performed in a more efficient, effective, or economical manner;

3. whether regulatory operations of the state agency are reasonably related to and are designed for the purpose of protection or benefaction of the public and have such protection or benefaction as a primary effect;

4. whether regulatory operations of the state agency could be performed in a less restrictive manner which could adequately protect the public;

5. whether regulatory operations of the state agency have the effect of directly or indirectly increasing the cost of any goods or services involved and, if so, whether the increase in cost is more harmful to the public than the harm which could result from the termination of such regulatory operations;

6. whether there is need for any change in the organization of the state agency or in any of its operations which would enable the state agency to fulfill its purposes in a more efficient, effective, or economical manner; and

7. whether the termination of any of a state agency's operations would significantly harm or endanger the rights, health, safety, or welfare of the public or result in the reduction or foreclosure of services required or desired by the public.

The possibility of terminating an agency as a consequence of its review exists under K-GOAL. (The Legislature can terminate any statutorily-created agency during any session.) But, unlike the Sunset Law that established in statute the day an agency would be abolished absent legislative action, K-GOAL creates a review schedule, not a termination schedule. Nothing in K-GOAL automatically abolishes a state agency.

Both the 1991 interim committee and the 1992 Legislature considered which agencies to subject to the K-GOAL review process. Some, but not all, agencies that formerly had been under the Sunset Law were placed on the K-GOAL list. Other agencies that had not been subject to the Sunset Law were made subject to review under K-GOAL. Pursuant to a 1994 amendment, the Act authorizes the Legislative Post Audit Committee to modify the statutory schedule. Action to change the review schedule requires at least seven affirmative votes of the Committee. Agency reviews cannot be deferred to legislative sessions occurring after the year 2000.

K-GOAL agencies and the years in which they were or will be reviewed follow:

1993 Department of Social and Rehabilitation Services
Capitol Area Security Patrol

1994 Department of Administration
Department of Commerce and Housing

1995 Kansas Water Office and Water Authority
Department of Wildlife and Parks (moved from 2000 by Post Audit Committee)

1996 Department of Transportation
State Board of Agriculture
Department of Health and Environment (moved from 1995 by Post Audit Committee)

1997 Department of Revenue
State Conservation Commission
Kansas Public Employees Retirement System (KPERS)

1998 State Corporation Commission
Department of Education

1999 Department on Aging
Department of Human Resources

2000 Department of Corrections

None of the agencies reviewed under K-GOAL thus far have been scheduled for a future review. Therefore, those agencies are no longer subject to review under K-GOAL.

K-GOAL performance audits of agencies to be reviewed during the 1997 Session address the following questions:

- Conservation Commission
  - Are programs operated by the Conservation Commission effective at meeting the goals of the State Water Plan?

- Department of Revenue
  - Is the Department of Revenue effectively and efficiently collecting sales taxes?
  - Is the sales tax exemption program administered consistently, fairly, and according to state law?

- KPERS
  - How does KPERS compare to other public and private pension systems with respect to contributions, vesting provisions, and benefit levels?
  - How can Kansas provide more flexibility and options for state employees to invest their retirement moneys?