

Approved: 3/10/98
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Kline at 12:30 p.m. on February 25, 1998 in Room 514-S of the Capitol.

All members were present except: Representative Mike Farmer - Excused
Representative Ed McKechnie - Excused

Committee staff present:

Alan Conroy, Shannon Nichols, Julian Efird, April Holman, Legislative Research Department;
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;
Helen Abramson, Administrative Aide; Linda Swain, Appropriations Secretary

Conferees appearing before the committee:

Bobbi Mariani, Assistant Director, Division of Personnel Services
Sally Finney, Executive Director, Kansas Public Health Association, Inc.

Others attending: See attached list

Representative Pottorff reported for the House Subcommittee on the Kansas Public Employees Retirement System (Attachment 1). The Subcommittee concurred with the Governor's recommendation for FY 98 and concurred with the Governor's recommendation for FY 99 with one additional comment.

A motion was made by Representative Pottorff, seconded by Representative Dean to adopt the Subcommittee report for FY 98 and FY 99. After brief comments, the motion carried.

Hearing on SB 300 - University of Kansas Medical Center authorized to purchase disability insurance for certain persons.

Mike Corrigan, Revisor of Statutes Office, spoke briefly on the bill. The University of Kansas Medical Center seeks authority to provide disability insurance to medical residents, nursing residents and allied health students in clinical training.

A motion was made by Representative Edmonds, seconded by Representative Ballard to pass SB 300 and place it on the consent calendar. A discussion followed.

A motion was made for a substitute bill by Representative Edmonds, seconded by Representative Landwehr to change the bill from Medical Center to School of Medicine. A discussion followed. The motion was withdrawn.

A vote was taken on the original motion made by Representative Edmonds, seconded by Representative Ballard to adopt the SB 300 and place it on the consent calendar. The motion carried.

Hearing on HB 2210 - State officers and employees; unclassified positions.

Bobbi Mariani, Assistant Director, Division of Personnel Services spoke in favor of **HB 2210**, stating three ways in which the bill would enhance the management of information technology (Attachment 2).

A discussion followed.

Representative Helgerson requested a listing of all the classified and unclassified Information Technology managers and where they are located. A copy of that list was distributed (Attachment 3).

The hearing on **HB 2210** was closed.

Hearing on HB 2970 - Governor's department; transferring title to certain personal property.

Sally Finney, Executive Director, Kansas Public Health Association, Inc., and daughter of former Governor Finney, spoke to the committee as a private citizen and proponent of **HB 2970**. Ms. Finney thanked the committee on behalf of her mother, for considering **HB 2970**.

The hearing on **HB 2970** was closed.

A motion was made by Representative Feuerborn, seconded by Representative Neufeld to pass HB 2970 and place it on the consent calendar. The motion carried.

Chair Kline indicated the committee would consider action on **HB 2210**.

Jim Wilson, Revisors Office, explained the final draft of technical amendments on **HB 2210** is not completed yet but he summarized what the amendments to the bill will do (Attachment 4). A discussion followed concerning options for those employees who are already classified.

A motion was made by Representative Dean, seconded by Representative Neufeld to amend the bill to conform with the balloon. Discussion followed.

Representative Dean withdrew the motion to allow time for the revisors to work out a draft.

Chair Kline announced there would be a recess on **HB 2210**, with further action to be taken at a later date.

A motion was made by Representative Edmonds, seconded by Representative Helgerson to accept a bill for introduction which is a variant of a bill introduced earlier in the session, **HB 2914**, concerning swine. The motion carried.

A Motion was made by Representative Helgerson, seconded by Representative Landwehr to approve the minutes for February 17, 18 and 19. The motion carried

Representative Pottorff announced the KPERS Subcommittee would meet at 2:00 p.m.

The meeting adjourned at 1:15 p.m. The next meeting is scheduled for February 26, 1998

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees
Retirement System

Bill No. 2895

Bill Sec. 10

Analyst: Efird

Analysis Pg. No. 1187

Budget Page No. 325

<u>Expenditure Summary</u>	<u>Agency Rev. Req. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 26,814,695	\$ 26,814,695	\$ 0
Other Assistance	426,246,076	426,246,076	0
TOTAL—Operating	\$ 453,060,771	\$ 453,060,771	\$ 0
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Other Assistance	0	0	0
TOTAL—Operating	\$ 0	\$ 0	\$ 0
FTE Positions	76.0	76.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	76.0	76.0	0.0

Agency Request/Governor's Recommendation

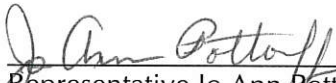
In FY 1998, estimated expenditures are almost \$8.9 million greater than approved by the 1997 Legislature. The KPERS Board is requesting an increase for additional benefit payments and higher fees for its financial managers. A reduction of \$84,811 is estimated in salaries and benefits, offset by an increase of \$82,487 for other operating expenses, resulting in a net decrease of \$2,324 for agency operations. An increase \$2,107,960 is requested for financial manager fees. Both accounts are subject to expenditure limitations. Finally, an increase of \$6,848,116 is requested for benefit payments. This is a no limit line item appropriated by the 1997 Legislature. A reduction of 1.0 FTE position also is included in FY 1998 due to a retirement in the prior fiscal year that was not refilled due to the one-for-four reduction law.

The Governor concurs with the KPERS revised estimated increases in expenditure for paying retirement benefits and financial managers in FY 1998. Only the increase from \$20,151,757 to \$22,212,030 is included in H.B. 2895 in order to raise the approved expenditure limitation since benefits are paid from a no limit fund and can increase without adjustment to the 1997 Sessions Laws of Kansas. A reduction of \$2,324 in the agency operations expenditure limitation also is included in H.B. 2895. No reduction in the FTE limitation from the approved level of 77.0 position is included in H.B. 2895 to reflect the decrease of 1.0 FTE position.

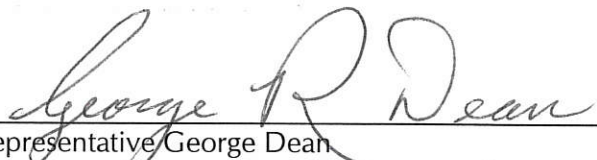
*Appropriations
2-25-98
Attachment 1*

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1998 recommendations for the current fiscal year.



Representative Jo Ann Pottorff,
Subcommittee Chairperson



Representative George Dean



Representative Phil Kline



Representative Melvin Minor

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System **Bill No.** 2893

Bill Sec. 38

Analyst: Efird **Analysis Pg. No.** 1187

Budget Page No. 325

<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 27,797,409	\$ 27,830,369	\$ 0
Other Assistance	<u>459,764,794</u>	<u>459,764,794</u>	<u>0</u>
TOTAL—Operating	<u><u>\$ 487,562,203</u></u>	<u><u>\$ 487,595,163</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL—Operating	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
FTE Positions	76.0	76.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>76.0</u></u>	<u><u>76.0</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation


In FY 1999, the KPERS Board estimates additional expenditures of \$34.5 million more than the revised amount in the current fiscal year. Most of the increase will fund higher benefit payments which comprise \$33.5 million of the increased expenditures next fiscal year. Also requested are increases in agency operations for \$29,857 and in investment related expenses for \$952,857. An enhancement of \$10,000 is requested in FY 1999 for computer software to do zip code sorting.

The Governor concurs with increased payments of \$33.5 million for retired and disabled KPERS members and beneficiaries in FY 1999. Increases in expenditures of \$952,857 are recommended by the Governor for contractual services to pay higher fees of the financial managers who guide the System's investments. An increase of \$62,817 in agency operations is recommended by the Governor in FY 1999, mainly due to salary adjustments. No change in staffing of 76.0 FTE positions is recommended and no enhancement funding is recommended either.

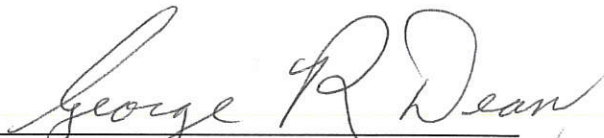
House Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1999 recommendations, with the following additional comment:

1. No enhancement funding of \$10,000 was recommended by the Governor for new software to help manage members' and employers' addresses by zip code. This item is part of a fiscal note also reviewed. The Subcommittee review of H.B. 2771 indicates that the fiscal note is \$270,278 for maintaining active members' current addresses. It is also noted that the 1997 Legislature in reviewing the agency's proposed enhancements also considered a request for 2.0 FTE positions and funding of \$276,797 for maintaining current addresses. Neither the Governor nor 1997 Legislature recommended that enhancement last year. The Subcommittee is concerned about KPERS communicating with its active members and stresses the importance of this activity. The Executive Director of KPERS indicates that the agency will form an employers' advisory council at no cost in order to improve communications with that group.



Representative Jo Ann Pottorff,
Subcommittee Chairperson



Representative George Dean



Representative Phil Kline



Representative Melvin Minor

**Testimony To The
House Appropriations Committee**

**By
Bobbi Mariani, Assistant Director
Division of Personnel Services
February 25, 1998**

RE: Information Resource Manager III Positions, House Bill 2210

Mr. Chairperson and members of the committee, thank you for the opportunity to appear before you again today. Earlier this month I presented information to you concerning the future of information technology positions in Kansas and the Information Technology Premium Pay program. As you may remember, we also briefly discussed Information Resource Managers and House Bill 2210, which is another component of our strategy to address information resource management. House Bill 2210 would change the status of Information Resource Manager III (IRM III) positions from the classified to the unclassified service when they become vacant.

I would like to discuss three ways in which this bill would enhance the management of information technology resources in state government.

- ① Unclassified employees may be hired on a contract basis - a legally binding agreement which provides remedies to the state if the employee breaks the terms of the contract. If unclassified, IRM III positions could be contracted until the completion of critical projects. We are competing with the private sector for skilled information technology people and the ability to enter into a contract with these employees would help to level the playing field.
- ② Placing IRM III positions in the unclassified service as they become vacant would offer agencies flexibility in recruiting. Currently, with these positions in the classified service, agencies are bound to the pay matrix in making a salary offer to a prospective job candidate. House Bill 2210 would allow agencies to more equally compete with salary fluctuations in the current IT job market.
- ③ Over the years, the responsibilities of IRM III positions have evolved from technical work to high level policy and management jobs requiring a technical background. Agency operations and programs are becoming increasingly dependent on technological support and IT managers have become integral members of the management team. In short, they must link their agencies' vision for information technology with all of state government and beyond.

Technology and the resources available in the workplace have always impacted business operations. Not so long ago, all that was available were typewriters and telephones and we utilized them as best we could. Now those resources include much greater technology and we need skilled and experienced managers so that we can use these resources wisely.

As I mentioned earlier, the positions would change from classified to unclassified when they become vacant. The classified status of employees currently in IRM III positions would not change. House Bill 2210 has the potential to help alleviate some of the problems in recruiting and retaining future information resource managers.

Thank you for the opportunity to provide additional information. I would be happy to answer any questions you may have.



DEPARTMENT OF ADMINISTRATION
Division of Personnel Services

BILL GRAVES
Governor

DAN STANLEY
Secretary of Administration

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MEMORANDUM

TO: Representative Jim Morrison, Chair
Joint Committee on Computers and Telecommunications

FROM: William B. McGlasson, Director
Division of Personnel Services *WBM*

DATE: February 3, 1998

SUBJECT: Information Technology Managers (IRM)

The following information regarding state information technology managers is provided per your request. The positions listed include both classified and unclassified employees who manage information technology programs in their agency.

<u>Agency</u>	<u>Name</u>	<u>Title/Class-Unclas</u>	<u>Current Salary</u>		
			<u>Eff. Date</u>	<u>Amount</u>	<u>Bonus</u>
Aging	S. Johnson	IRM - Unclassified	09/07/97	\$68,016	None
Agriculture	H. Sipple	IRM II - Classified	12/09/96	\$47,838	None
Corrections	C. Usera	IRM - Unclassified.	01/20/98	\$70,000	None
Education	S. Tayani	Team Leader - Uncl	06/15/97	\$68,310	None
JJA	J. Roche	IRM - Unclassified	01/05/98	\$62,000	*\$1,000
KBI	R. Rohrer	IRM - Unclassified	06/15/97	\$68,943	None
KCC	J. McKenzie	IRM II - Classified	12/18/97	\$51,474	None
KDHR	S. Tallen	IRM III-Classified	12/29/97	\$70,696	None
KDOT	B. Nelson	IRM III - Classified	12/18/97	\$62,551	None
Lottery	R. Knowlton	IRM II - Classified	12/18/97	\$51,474	None
Revenue	T. Blevins	Chief Info.Off.-Uncl	11/16/97	\$90,000	**\$10,000
SRS	S. Hazlett	IRM III - Classified	11/16/97	\$55,352	None

*Signing Bonus provided under Executive Directive 97-264

**Signing Bonus provided outside of Executive Directive 97-264

Please let me know if you have any questions regarding this information.

WBM:ask

cc: Dan Stanley
Secretary of Administration

*Appropriations
2-25-98
Attachment 3*

Appropriations
2-25-98
Attachment 4

1 include the custodial, clerical or maintenance employees, or any employ-
 2 ees performing duties in connection with the business operations of any
 3 such institution, except administrative officers and directors;
 4 (s) all officers and employees in the office of the secretary of state;
 5 (t) one personal secretary and one special assistant to the following:
 6 The secretary of administration, the secretary of aging, the secretary of
 7 agriculture, the secretary of commerce and housing, the secretary of cor-
 8 rections, the secretary of health and environment, the superintendent of
 9 the Kansas highway patrol, the secretary of human resources, the secre-
 10 tary of revenue, the secretary of social and rehabilitation services, the
 11 secretary of transportation and the secretary of wildlife and parks;
 12 (u) one personal secretary and one special assistant to the chancellor
 13 and presidents of institutions under the state board of regents;
 14 (v) one personal secretary and one special assistant to the executive
 15 vice chancellor of the university of Kansas medical center;
 16 (w) one public information officer and one chief attorney for the fol-
 17 lowing: The department of administration, the department on aging, the
 18 department of agriculture, the department of commerce and housing, the
 19 department of corrections, the department of health and environment,
 20 the department of human resources, the department of revenue, the de-
 21 partment of social and rehabilitation services, the department of trans-
 22 portation and the Kansas department of wildlife and parks;
 23 (x) civil service examination monitors;
 24 (y) one executive director, one general counsel and one director of
 25 public affairs and consumer protection in the office of the state corpo-
 26 ration commission;
 27 (z) specifically designated by law as being in the unclassified service;
 28 and
 29 (aa) all officers and employees of Kansas, Inc., the Kansas technology
 30 enterprise corporation and the corporation for change; and
 31 (bb) any position classified as an information resource manager III
 32 that becomes vacant on or after the effective date of this act. Nothing in
 33 this section shall affect the classified status of any employee employed in
 34 an information resource manager III position in the classified service on
 35 the date immediately preceding the effective date of this act, and the
 36 unclassified status shall apply only to persons appointed to such positions
 37 on or after the effective date of this act.
 38 (2) The classified service comprises all positions now existing or here-
 39 after created which are not included in the unclassified service. Appoint-
 40 ments in the classified service shall be made according to merit and fitness
 41 from eligible pools which so far as practicable shall be competitive. No
 42 person shall be appointed, promoted, reduced or discharged as an officer,
 43 clerk, employee or laborer in the classified service in any manner or by

and any position classified as an information resource manager II, if the position is responsible for all information resources management for a state agency, that becomes vacant on or after the effective date of this act

or an information resource manager II