

MINUTES OF THE SENATE COMMITTEE ON WAYS  
AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 26, 1998 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department  
Russell Mills, Legislative Research Department  
April Holman, Legislative Research Department  
Norman Furse, Revisor of Statutes  
Michael Corrigan, Revisor of Statutes  
Judy Bromich, Administrative Assistant  
Ann Deitcher, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Senator Kerr explained to the Committee the Unfunded Liability in the KPERS System. (Attachment 1).

Next the Committee examined the Ad Hoc Cola Cost Estimates. (Attachment 2).

Senator Kerr asked for the Committee to come to an agreement on paying for the COLA already voted on.

Senator Salisbury moved and Senator Morris seconded that \$18,895,173 be appropriated in FY 99 from the State General Fund. This included the increase in actuarial liability of KPERS School, TIAA, judges and KP&F-State. The \$8,724,362 for KPERS State would go against unfunded liabilities and be amortized over 15 years. The motion to adopt carried on a voice vote.

**HB 2704**                      **Concerning information technology relating to development, management, coordination and planning for utilization of information technology resources.**

Senator Kerr explained to the Committee that the position of Chief Information Officer in the Legislative Branch should be a staff position, an advisory position and not an operating position. It should not be over nor under the Director of Legislative Computer Services.

There was then discussion as to whether or not this position should be an office or a position. The three choices would be: Office of the Director, Office, or Position.

It was moved by Senator Feleciano and seconded by Senator Salisbury to include the one amendment on page 7 of SUB. HB 2704. The motion carried by a voice vote.

It was moved by Senator Feleciano and seconded by Senator Salisbury to amend the bill according to the language in the balloon on page 7 of SUB. HB 2704. The motion to amend passed on a voice vote.

It was moved by Senator Feleciano and seconded by Senator Morris to delete line 39, starting with "Information" through line 42, the word "both", on page 1 of SUB. HB 2704. The motion to amend carried on a voice vote.

It was moved by Senator Feleciano and seconded by Senator Salisbury to amend on line 38 of page 8 of SUB. HB 2704 the phrase "director of the budget" to read "chief information technology architect". The motion to amend carried on a voice vote.

**HB 2210**                      **State officers and employees, information resource manager unclassified positions.**

Bobbi Mariani, Assistant director of Personnel Services spoke to the Committee in support of SUB. HB 2210. (Attachment 3).

Senator Salisbury moved and Senator Morris seconded the motion to amend the provisions of SUB. HB 2210 into HB 2704. The motion to amend was adopted by a voice vote.

David Brant, Securities Commissioner, spoke to the Committee in regard to the temporary authority he received in last year's Omnibus to designate certain director positions as unclassified. He asked that this authority be made permanent. He views it as progressive for the agency so that there is accountability in policy making positions for the Commissioner. To protect the agency in the future, from political appointments per se, there is language in the amendment that would say that these positions need to have special training qualifications.

Senator Morris moved and Senator Ranson seconded the motion to add these provisions into HB 2704. The motion to amend was adopted by a voice vote.

**SB 688**                      **Concerning public officers and employees; relating to eligibility for representation by employee organizations; concerning eligibility for the state health care benefits program.**

It was moved by Senator Jordan and seconded by Senator Salisbury that the provisions of SB 688 be put in a balloon form into HB 2704. The motion was adopted by a voice vote. Those voting nay were Senators Feleciano and Petty.

It was moved by Senator Salisbury and seconded by Senator Morris that HB 2704 be recommended favorably for passage. The motion carried on a roll call vote.

It was moved by Senator Salisbury and seconded by Senator Gilstrap that the minutes for March 13 and 16 be approved. The motion carried on a voice vote.

The meeting was adjourned at 12:20 p.m. The next meeting is scheduled for March 27, 1998.

# SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 3/26/98

NAME	REPRESENTING
Ken Beck	Ks. Governmental Consulting
J. Chubb	SOS
Horns Chabria	Budget
Cindy Denton	Budget
Sandy Powell	K- State Administration
Greg Hill	Federico Consulting
Paul Mitchell	KANR
Muel Wallan	Chief Info Anal Office
B. Mariani	Dept of Adm.
Dan Stanley	" "
David Brant	Securities Commissioner
Fred Burch	Chief Information Architect
SUE PETERSON	K- State

**KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**UNFUNDED LIABILITY**  
**June 30, 1997**

KPERs			
	SCHOOL	\$	1,060,491,746
	STATE	\$	<u>(127,100,000)</u>
	STATE & SCHOOL COMBINED	\$	933,391,746
	Local	\$	130,602,206
	TIAA	\$	18,686,886
KPF		\$	288,268,784
JUDGES		\$	5,118,278
GRAND TOTAL- ALL SYSTEMS COMBINED		\$	<u><u>1,376,067,900</u></u>

**KPERs**

*S W K M*

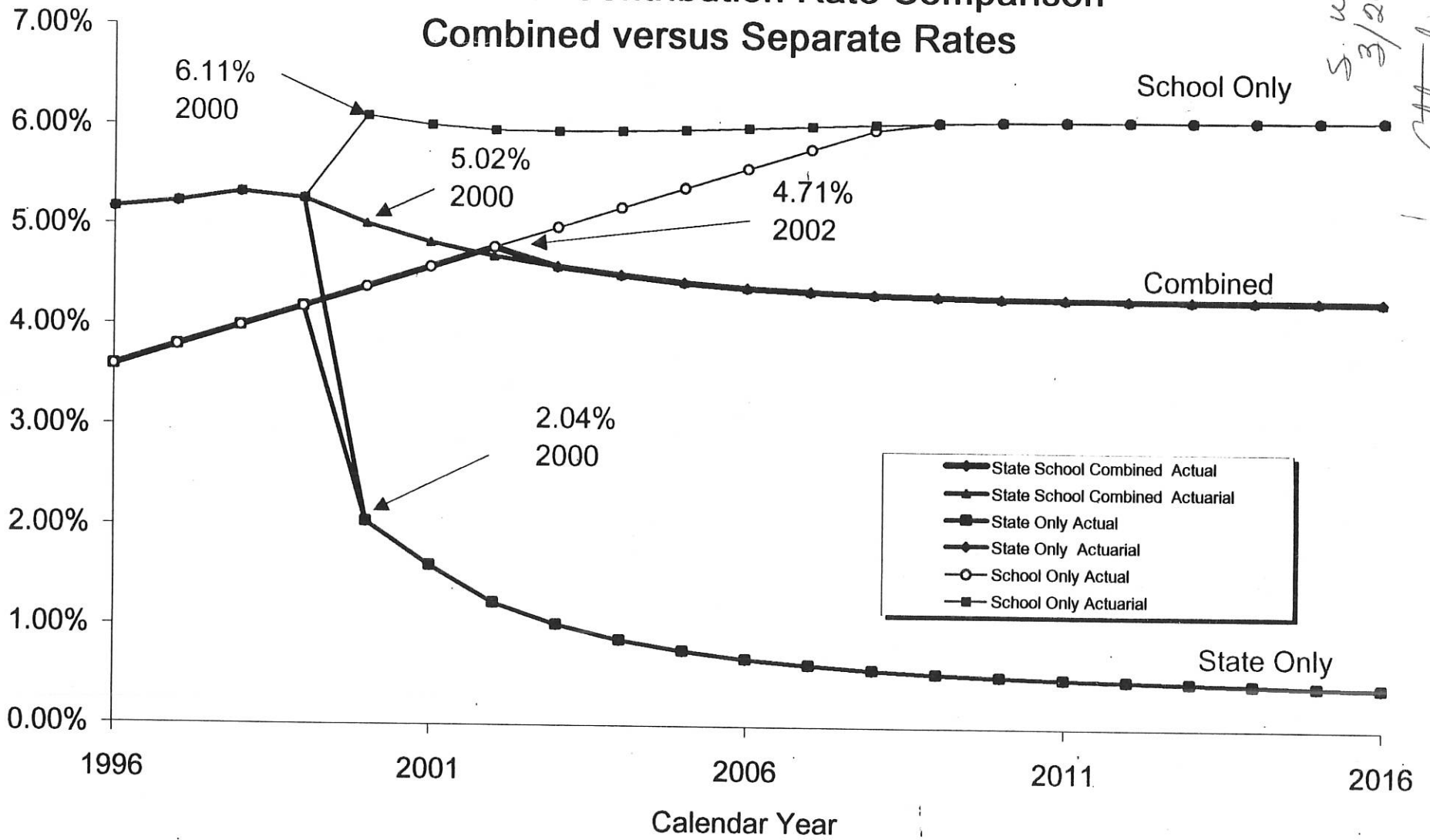
~~February 12, 1998~~

*3/26/98*

*Attachment 1-1*

# State/School Contribution Rate Comparison Combined versus Separate Rates

S. W + M  
3/26/98  
Attachment 1-2



February 12, 1998

2% - Retirants before July 1, 1993  
15 year amortization

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate FY 1999</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State	8,724,362	1.05%	9,190,650	9,190,650
School	17,341,181	N/A	17,341,181	17,341,181
Local	4,917,792	0.06%	510,000	10,300,000
TIAA	467,021	N/A	467,021	467,021
<b>Judges</b>				
Judges	363,495	N/A	363,495	363,495
<b>KP&amp;F</b>				
KP&F-State	723,476	N/A	723,476	723,476
KP&F-Local	4,928,678	0.24%	560,000	11,250,000
<b>Totals</b>	<b>37,466,005</b>		<b>29,155,823</b>	<b>49,635,823</b>

Notes: -2% COLA applied to all members retired BEFORE July 1, 1993  
Additional actuarial liability amortized over 12 months for State, 15 years for Local Employers. Total funding for the unfunded liability would incurred on July 1, 1998 for Schools, TIAA, Judges and KP&F- State.

*S w + m  
3/26/98  
Attachment 2*

**Testimony To The  
Senate Ways and Means Committee**

**By  
Bobbi Mariani, Assistant Director  
Division of Personnel Services**

**RE: Information Resource Manager Positions, Substitute for House Bill 2210**

Mr. Chairperson and members of the committee, thank you for the opportunity to appear before you today. Last month I presented information to you concerning the future of information technology positions in Kansas and the Information Technology Premium Pay program. Substitute for House Bill 2210 is another component of our strategy to address information resource management.

The bill is similar to Senate Bill 362, which was introduced during the 1997 session and passed out of your committee. Senate Bill 362 would have placed Information Resource Manager (IRM) III positions in the unclassified service as they became vacant. Substitute House Bill 2210 builds on that concept and would change the status of certain IRM positions from the classified to the unclassified service when they become vacant. Those positions affected would be IRM positions that have chief responsibility for all information resources management for a state agency.

I would like to discuss three ways in which the 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, these IRM 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 employees would help to level the playing field.
- ② Placing designated IRM 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. Substitute for 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 top level IRM 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 positions would not change. Substitute for 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 speak to you today. I would be happy to answer any questions you may have.