

Approved: 2-10-99
Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:10 a.m. on February 9, 1999, in Room 519-S of the Capitol.

All members were present except: Senator Chris Steineger

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Karla J. Pierce, Secretary, Kansas Department of Revenue
Steve Kearney, Kansas Area Vo-Tech Schools

Others attending: See attached list.

The minutes of the February 3, 4, and 8, 1999, meetings were approved.

Confirmation hearing on Karla J. Pierce, Secretary, Department of Revenue

Ms. Pierce provided the Committee with an overview of her background and her vision for the Kansas Department of Revenue. In summary, her vision is to put the customer first every time, be a benchmark for the nation, and to sustain a team environment with a commitment to working hard to exceed the customers' expectations. (Attachment 1) A copy of the Senate Confirmation Information Summary prepared by the Office of Governor Bill Graves had been distributed to each Committee member. (Attachment 2)

Senator Bond moved to recommend Ms. Pierce favorably to the full Senate, seconded by Senator Corbin. The motion carried.

SB 124-Property taxation; adult care home exemption.

Senator Langworthy recalled that the Committee recommended that **SB 124** be passed as amended. However, it was requested that the bill be referred to the Committee again in order to correct a problem that inadvertently occurred with **HB 2001** which was sponsored by Representative Jim Morrison, who was unable to attend the meeting.

Steve Kearney, representing Representative Morrison, explained that **HB 2001** originally addressed ad valorem tax concerns on the part of area schools and community colleges. Those schools have had difficulty in determining if dormitories or student unions are taxable. Representative Morrison introduced the bill to address the concern, and it progressed rapidly through the House. It passed the House after being placed on the Consent Calendar. However, the Senate used **HB 2001** to insert the original contents of **SB 2**, plus the inclusion of Cowley County. It then became necessary to find another bill to insert the provisions of the original **HB 2001**. On behalf of Representative Morrison, Mr. Kearney requested that the provisions of the original **HB 2001** be amended into **SB 124**.

Senator Langworthy confirmed with staff that lines 36-41 on page five of the original **HB 2001** addresses Representative Morrison's concerns regarding dormitories and student unions.

Senator Lee moved to amend the provisions of the original **HB 2001** into **SB 124**, seconded by Senator Hardenburger. The motion carried.

Senator Hardenburger moved to report **SB 124** favorable for passage as amended, seconded by Senator Lee. The motion carried.

The meeting was adjourned at 11:35 a.m.

The next meeting is scheduled for February 10, 1999.

SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: February 9, 1999

NAME	REPRESENTING
RICHARD RODEWALD	TAXPAYERS
Sandy Braden	McGill Lehey, Assoc.
Ron Cochran	McCill, Cochran & Associates
Mary Ellen Conlee	Via Christi Health System
JEFF SCOTT	KDOR
Janice Birdsall	KDOR
ROSS KORT	American Management Systems
Richard Exandole	Kansas Dept. of Revenue
Sheila Walker	Kansas Dept. of Revenue
Mark Burch	KDOR
Tim Blevins	KDOR
George Welch	Barber & Assoc.
GEOFF SHANKS	McMill, KACHES Office
Judy Krueger	Governor's Office
MARK BURGHART	WESTERN ASSN.
STEVE KEARNZY	KAAUTS
Shane Magnebin	Sen. Stephens staff
Lakuna Cole	Sen. Tyson - Intern
John Frederick	Boeing

STATE OF KANSAS

Bill Graves, Governor

DEPARTMENT OF REVENUE

Karla J. Pierce, Secretary

Office of the Secretary
Kansas Department of Revenue
915 SW Harrison St.
Topeka, KS 66612-1588



(785) 296-3041
FAX (785) 296-7928
Hearing Impaired TTY (785) 296-3909
Internet Address: www.ink.org/public/kdor

Office of the Secretary

TESTIMONY

Confirmation Hearing

TO: Senate Assessment & Taxation Committee
Senator Langworthy, Chairperson

FROM: Karla Pierce, Secretary of Revenue *Karla Pierce*

DATE: February 9, 1999

Chairperson Langworthy and members of the committee, I am please to provide you with an overview of my background and my vision for the Kansas Department of Revenue.

I grew up in Lyndon, a small town about 30 miles south of Topeka. I graduated from Kansas University with a Bachelor of Science in Accounting in December 1979. In January 1980, I went to work for the Kansas Department of Revenue as a corporation income tax auditor. This was a wonderful opportunity to work with tax managers of very large corporations. I obtained first-hand experience of the trials and tribulations of corporate tax managers trying to comply with the Kansas tax statutes. During my tenure as an auditor, I also traveled around the State working with small business owners and medium sized companies auditing for compliance with sales and use tax statutes. This experience provides me a unique opportunity to put myself in the taxpayers' shoes.

I also have managed the entire tax operations of the department. I have a complete understanding of how the department works and how we can improve our operations. In 1995, I was promoted to Project 2000 Director. This position enabled me to rebuild the entire operation of the department. We began by identifying customer expectations and best practices from Kansas companies. Next, we took a blank piece of paper and redesigned our operations, front-to-back, to produce the services our customers, the taxpayers and licensees, said they expected and needed from the department. We selected advanced technology to enable our operations to be effective and efficient. We reorganized our operations to manage the processes and associates in a manner that provides accountability to our customers. We have changed our management

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Attachment 1*

processes to allocate our resources to achieve our priorities and manage our knowledge capital, which is the administration of Kansas tax and vehicle statutes.

In 1997, I took on the a position called Director of Transition. This position not only directed the complete transition and implementation of Project 2000, but also managed the daily operations of the Divisions of Taxation and Collections. This challenging position provided the opportunity to lead the implementation of my vision of becoming a customer first, high performance organization. I have had a once in a lifetime opportunity to lead an organization through a transformation that is unprecedented in a government organization. We have received much recognition for this effort. We have been featured in the *New York Times*, we have received awards for management and leadership from the Federation of Tax Administrators, and we have been redeemed by CFO Magazine. In April we will be recognized by Governing Magazine for building a customer-focused tax department. Our performance measures also show the changes are making a difference. In Fiscal Year 98, we had 62% fewer tax appeals due to a new audit process. We are registering new businesses in 48 hours. We have published over 100 new policies on the Internet. We have doubled our contacts with taxpayers owing additional tax, while sustaining an 80% promise kept rate. We have collected \$46 million in new revenues and located over 2,000 new taxpayers. All these accomplishments are attributable to more efficient and effective operations.

On January 8, 1999, I began my 20th year of service with the Kansas Department of Revenue. From my days as an auditor seeing how taxpayers were treated and seeing all the inefficiencies of a silo management approach, I have wanted to rebuild the organization to enable associates to do their work. I have wanted to change the culture to one where we value our customers, work as a team towards a common goal and be a service provider not the tax police. I believe that 99% of the citizens want to comply with law. It is our job to enable them to do that and enforce the law on the 1% that choose not to comply. This is different from the days when we enforced the law 100% of the time without regard to how treating all taxpayers exactly the same way effects them.

What do I want to accomplish in the next four years? Simply put - I want to exceed the expectations of our customers, the taxpayers and licensees and our stakeholders, the Legislature and local units of government. I want the department to be user-friendly. I want everyone to walk away from every service encounter thinking, "Wow, they really helped me." I want to administer the tax and vehicle laws you enact in an efficient and effective manner. I want to be a good steward of the public's resources. I want the Department of Revenue to be known as the best revenue agency in the country. I want our associates to be motivated and committed to providing good service. I want our managers and our leaders to cultivate a team environment that is constantly learning and improving our operations. I want all associates to be proud they work in the Department of Revenue.

How I do make these statements become reality?

The Project 2000 blueprint will be implemented by the end of 1999. To complete this project on time, we have a very aggressive project plan. We have phased in many components of an integrated tax system. In October 1998 we started processing income, homestead and withholding taxes in the integrated tax system. Sales, use and corporate income taxes are scheduled to begin processing in November 1999.

We must stay the course, build on what we have learned about making large scale changes and sustain the commitment by all the team members who will be contributing 150% to get this done.

Since the implementation of Project 2000 is complete, we have a sound foundation to make many operational improvements. My vision is to provide self-service taxation. Many financial organizations provide access to account information and electronic means in which to do business. We should provide the same service to our customers 24 hours a day, seven days a week.

The Alcoholic Beverage Control Division will continually take actions to reduce the access to alcohol and tobacco by underaged individuals. By partnering with local law enforcement officers, we have implemented many programs to measure and cite licensees selling to underaged individuals and arrest underaged persons attempting to buy these products. We are providing training to business owners and servers to help them identify false identification cards and underaged buyers.

We will continue to work with county treasurers and appraisers to provide guidance and technology that enables them to give good service. The county treasurers are our agents to provide vehicle title and registration services. Sixty-two county treasurers also renew drivers licenses. We will implement automated testing in several of our western Kansas offices to license Spanish speaking drivers. We will continue to improve services in the state-managed offices to reduce wait times and issue licenses to safe drivers. We must continue to find ways to service the growing diversity in the state's population.

The county appraisers make all local property appraisals according to the guidelines provided by the Division of Property Valuation. Our award-winning commercial sales data base has provided valuable information to the county appraisers. Over 99% of residential property and over 97% of commercial and industrial property are located in counties that meet accepted statistical appraisal standards. We have made major improvements in establishing comparable agriculture use values. The improvements are driven by using soil maps created by the National Resource Conservation Service. While this approach has been met with controversy, I believe it provides a scientific basis to begin the valuation process. We are constantly seeking ways to improve the data that is used in the statutory valuation formula. As you can see by the sound solutions to residential and commercial property values, we will continue to find better ways to provide quality agricultural use values.

A key to a successful business is staying close to your customers. We employ many methods to get constant feedback from our customers. I directly receive audit report cards on each audit completed. We track customer satisfaction by using comment cards at all our offices and at the end of the Telefile program. I have two advisory committees. The Agriculture Use Value Advisory Committee has representatives of the Legislature, agriculture businesses, county appraisers and landowners. The committee reviews the input data used in the formula, makes suggestions for quality improvements and reviews values before they are sent to the counties. I also have a Revenue Advisory Council. Members represent attorneys, certified public accountants, Kansas corporations and business owners. We discuss legislative changes and operational improvements. They provide feedback on the results of our changes. All of this information is used to constantly provide better service.

In 1995, the management team established the department's vision. Our vision is to put the customer first every time, be a benchmark for the nation and sustain a team environment. A very competent and committed management team has been working hard to exceed our customers' expectations. I'm happy to report each division has been recognized as a benchmark in its own

ght. All of the organizational barriers to change have been eliminated. **But we are not done.** We are positioned to reap the benefits of four years of foundation building. I am excited about the challenges that are before us. I am humbled by the confidence Governor Graves has place in me. I believe that over the next fours I can lead this organization to new levels of performance. We will achieve our vision.

As Joel Arthur Barker says,
“Vision without action is merely a dream.
Action without vision just passes the time.
Vision with action can change the world.”

With your confirmation of me as Secretary of Revenue, I will do my best to change the world of tax and vehicle administration in Kansas to exceed our customers’ expectations.

Senate Confirmation Information Summary
Prepared and Submitted by the Office of Governor Bill Graves

Appointee: Karla J. Pierce

Position: Secretary, Kansas Department of Revenue

Appointment Date: Upon Confirmation to serve at the Pleasure of the Governor
by Senate Expiration Date: _____ Term Length: _____

Statutory Authority: KSA 75-5101 Party Affiliation: Republican

- ⇒ Statutory geographic representation requirements (*indicate any that apply*):
- Congressional District: _____
 - County: _____
 - Size requirement (*if any*): _____
 - Other, specify: _____

⇒ Statutory party affiliation requirement: No more than _____ members from the same political party.

⇒ Statutory industry or occupation requirements: _____

Salary: \$85,000 Predecessor: John LaFaver

Board Composition Prior to Confirmation of New Appointee:

(SEE ATTACHED LIST)

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Attachment 2*

district administrator. The following criteria shall be used in determining eligibility:

(1) Whether the proposal serves the transportation needs of the elderly, disabled and general public citizens of the proposed district;

(2) whether resources for transportation services are utilized in an effective and efficient manner; and

(3) whether the proposal is consistent with the statewide coordinated transit district plan.

(c) The secretary shall administer and allocate funds to qualified coordinated transit district administrators, consistent with the statewide coordinated transit district plan.

History: L. 1992, ch. 105, § 7; L. 1996, ch. 99, § 4; July 1.

75-5057. Requirement to become a part of coordinated transit district, when. On and after July 1, 1995, any recipient of federal or state grants to provide rural public or specialized transportation services shall be required to become a part of a coordinated transit district prior to July 1, 1995, to continue to be eligible to receive such federal or state grants.

History: L. 1992, ch. 105, § 8; July 1.

75-5058. Appeal according to the administrative procedure act. The secretary shall establish an appeal process to allow agencies dissatisfied with the recommendations for distribution of funds recommended by the coordinated transit district administrator an opportunity for a timely hearing, before the secretary, according to the administrative procedure act.

History: L. 1992, ch. 105, § 9; July 1.

75-5059, 75-5060. Reserved.

PUBLIC USE GENERAL AVIATION AIRPORTS

75-5061. Public use general aviation airports; development fund; grants; duties of secretary of transportation. (a) The secretary of transportation is hereby authorized and empowered to: (1) Solicit and receive moneys from any public or private sources; and (2) establish and administer a grant program for public use general aviation airports for the purpose of planning, constructing, reconstructing or rehabilitating the facilities of such public use general aviation airports.

(b) Such grants shall be made upon such terms and conditions as the secretary of transportation deems appropriate, and such grants shall be

made from funds credited to the public use general aviation airport development fund.

(c) The public use general aviation airport development fund is hereby established in the state treasury which shall be for the purpose of planning, constructing, reconstructing or rehabilitating the facilities of public use general aviation airports pursuant to subsection (a) of this section. All moneys received pursuant to subsection (a) shall be remitted to the state treasurer at least monthly and deposited in the state treasury to the credit of the public use general aviation airport development fund. The secretary of transportation shall administer the public use general aviation airport development fund. All expenditures from the public use general aviation airport development fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of transportation or by a person or persons designated by the secretary.

(d) As used in this section "public use general aviation airport" means any airport available for use by the general public for the landing and taking off of aircraft, but shall not include any airport classified as a primary airport by the federal aviation administration.

(e) The secretary of transportation may adopt rules and regulations for the purpose of implementing the provisions of this section.

History: L. 1994, ch. 191, § 1; July 1.

Article 51.—DEPARTMENT OF REVENUE

Cross References to Related Sections:

Imprest funds, see 75-3072 et seq.

DEPARTMENT OF REVENUE; SECRETARY

75-5101. Secretary of revenue; appointment and confirmation; creation of department; application of K-GOAL. (a) There is hereby created a department of revenue, the head of which shall be the secretary of revenue. The governor shall appoint the secretary of revenue, subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto, and the secretary shall serve at the pleasure of the governor. The department of revenue created by this act shall be administered under the direction and supervision of the secretary of revenue. The secretary of revenue shall receive an annual salary fixed by the governor.

(b) The provisions of the Kansas governmental operations accountability law apply to the office of secretary of revenue and the department of revenue, and the office and department are subject to audit, review and evaluation under such law.

History: L. 1972, ch. 342, § 1; L. 1981, ch. 299, § 37; L. 1982, ch. 347, § 62; L. 1992, ch. 116, § 46; July 1.

Cross References to Related Sections:
Exchange of tax information, see 74-2424.

Research and Practice Aids:
States ← 121.
C.J.S. States §§ 203, 223.

DIVISION OF TAXATION; DIRECTOR

75-5102. Director of taxation; creation and administration of the division of taxation.

There is hereby established, within and as a part of the department of revenue, a division of taxation, the head of which shall be the director of taxation. Under the supervision of the secretary of revenue, the director of taxation shall administer the division of taxation. The secretary of revenue shall appoint the director of taxation, and the director shall serve at the pleasure of the secretary of revenue. The director of taxation shall be in the unclassified service and shall receive an annual salary fixed by the secretary of revenue and approved by the governor.

History: L. 1972, ch. 342, § 2; L. 1982, ch. 347, § 63; July 1.

Law Review and Bar Journal References:
"Hearings Before the Director of Taxation of the Department of Revenue," Ray E. Cooley, 41 J.B.A.K. 361 (1972).

75-5103. Same; transfer of existing powers, duties and functions; preservation of rules and regulations, rates, orders and directives; adoption of rules and regulations by secretary of revenue for division of taxation.

(a) All of the powers, duties and functions of the existing department of revenue and the existing director of revenue are hereby transferred to and conferred and imposed, respectively, upon the division of taxation and the director of taxation created by this act, except as is herein otherwise provided.

(b) The division of taxation and the director of taxation created by this act shall be the successors in every way, respectively, to the powers, duties and functions of the department of revenue and director of revenue in which the same were

vested prior to the effective date of this act, except as herein otherwise provided. Every act performed in the exercise of such powers, duties and functions by or under the authority of the division of taxation or director of taxation created by this act, respectively, shall be deemed to have the same force and effect as if performed by the department of revenue or director of revenue, respectively, in which such functions were vested prior to the effective date of this act.

(c) Whenever the department of revenue, or words of like effect, is referred to or designated by a statute, contract or other document, such reference or designation shall be deemed to apply to the division of taxation created by this act.

(d) Whenever the director of revenue, or words of like effect, is referred to or designated by law, contract or other document, such reference shall be deemed to apply to the director of taxation created by this act.

(e) All rules and regulations of the director of revenue or the department of revenue in existence on the effective date of this act, shall continue to be effective and shall be deemed to be duly adopted rules and regulations of the secretary of revenue created by this act, until revised, amended, revoked or nullified pursuant to law. The secretary of revenue may adopt rules and regulations governing the administration of functions of the division of taxation.

(f) All rates promulgated and all orders and directives of the director of revenue or the department of revenue in existence on the effective date of this act, shall continue to be effective and shall be deemed to be duly promulgated rates of the secretary of revenue and duly issued orders and directives of the director of taxation and division of taxation created by this act, respectively, until revised, amended or nullified pursuant to law.

(g) The division of taxation and director of taxation created by this act, respectively, shall be continuations of the department of revenue and director of revenue created by K.S.A. 74-2443.

History: L. 1972, ch. 342, § 3; July 1.

Cross References to Related Sections:
Miscellaneous duties of director, see 74-2428, 74-2429.

75-5104. Same; transfer of rule and regulation authority to secretary of revenue.

Whenever, under any statute of this state, the director of revenue is authorized to make, adopt or promulgate rules and regulations or rules or reg-

ulations, or any statute or such rule or reference shall be deemed tary of reve and no appr regulations : tax appeals.

History:

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75-5104. Same; transfer of rule and regulation authority to secretary of revenue.

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History:
347, § 64;

Research an Taxation ← C.J.S. Taxa

Law Review
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1. Trial cc sions and app assessment o Kansas Dept (1993).

75-5104. Same; transfer of rule and regulation authority to secretary of revenue.
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FILED

APR 20 1998

BOYD TOWNSEND
COMMISSIONER OF STATE

KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

STATEMENT OF SUBSTANTIAL INTERESTS FOR STATE EMPLOYEES

INSTRUCTIONS. This statement (pages 1 through 4) must be completed by each state employee named as a designee by their agency head (K.S.A. 46-247, 46-248, 46-282, and 46-285). Failure to complete and return this statement may result in a fine of \$10 per day for each day it remains unfiled. Also, any individual who intentionally fails to file as required by law, or intentionally files a false statement, is subject to prosecution for a class B misdemeanor.

Please read the "Guide" and "Definition" section provided with this form for additional assistance in completing sections "C" through "G". If you have questions or wish assistance, please contact the Commission office at 109 West 9th, Topeka, KS or call 785-296-4219.

A. IDENTIFICATION: PLEASE TYPE OR PRINT

P I E R C E K A R L A J

Last Name,

First Name

MI

P I E R C E D A V I D E

Spouse's Name

1 0 7 C E D A R S T B O X 2 1 7

Number & Street Name, Apartment Number, Rural Route, or P.O. Box Number

O V E R B R O O K K S 6 6 5 2 4

City, State, Zip Code

7 8 5 6 6 5 7 5 8 7

Home Phone Number

7 8 5 2 9 6 3 9 3 3

Business Phone Number

B. AGENCY EMPLOYED BY:

D E P T O F R E V E N U E

List Name of Agency or University (You may use abbreviations but no acronyms)

Division (May use acronyms)

Position

* The last four digits of your social security number will aid in identifying you from others with the same name on the computer list. This information is optional.

* 0 9 6 6

C. OWNERSHIP INTERESTS: List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for income, in which either you or your spouse has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5%, whichever is less. If you or your spouse own more than 5% of a business, you must disclose the percentage held. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "C", check here

BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTERESTS HELD	HELD PERCENT OF BY WHOM OWNERSHIP INTERESTS
1.			___ ___ You ___ ___ Spouse ___ ___ Jointly
2.			___ ___ You ___ ___ Spouse ___ ___ Jointly
3.			___ ___ You ___ ___ Spouse ___ ___ Jointly
4.			___ ___ You ___ ___ Spouse ___ ___ Jointly
5.			___ ___ You ___ ___ Spouse ___ ___ Jointly
6.			___ ___ You ___ ___ Spouse ___ ___ Jointly
7.			___ ___ You ___ ___ Spouse ___ ___ Jointly

D. GIFTS OR HONORARIA: List any person or business from whom you or your spouse, either individually or collectively, have received gifts or honoraria having an aggregate value of \$500 or more in the preceding 12 months.

If you have nothing to report in Section "D", check here

NAME OF PERSON OR BUSINESS FROM WHOM GIFT RECEIVED	ADDRESS	RECEIVED BY:
1.		
2.		

E. RECEIPT OF COMPENSATION: List all places of employment in the last calendar year, and any other businesses from which you or your spouse received \$2,000 or more in compensation (salary, thing of value, or economic benefit conferred on in return for services rendered, or to be rendered), which was reportable as taxable income on your federal income tax returns.

1. Your place(s) of employment or other business in the preceding calendar year.

If same as Section "B", check here

If you have nothing to report in Section "E-1", check here

Name of Business	Address	Type of Business
1.		
2.		

2. Spouse's place(s) of employment or other business in the preceding calendar year.

If you have nothing to report in Section "E-2", check here

Name of Business	Address	Type of Business
1. Fieldstone	Overbrook, KS 66524	Farm Work
2.		

F. OFFICER OR DIRECTOR OF AN ORGANIZATION OR BUSINESS: List any organization or business in which you or your spouse hold a position of officer, director, associate, partner or proprietor at the time of filing, irrespective of the amount of compensation received for holding such position. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "F", check here

Business Name and Address	Position Held	Held by Whom
1. Overbrook Carnegie Library Board	VICE-CHAIR	SPOUSE
2.		
3.		

G. RECEIPT OF FEES AND COMMISSIONS: List each client or customer who pays fees or commissions to a business or combination of businesses from which fees or commissions you or your spouse received an aggregate of \$2,000 or more in the preceding calendar year. *The phrase "client or customer" relates only to businesses or combination of businesses.* In the case of a partnership, it is the partner's proportionate share of the business, and hence of the fee, which is significant, without regard to expenses of the partnership. An individual who receives a salary as opposed to portions of fees or commissions is generally not required to report under this provision. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "G", check here

Name of Client or Customer	Address	Received By
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

H. DECLARATION:

I, Karla J. Pierce, declare that this statement of substantial interests (including any accompanying pages and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of all of my substantial interests and other matters required by law. I understand that the intentional failure to file this statement as required by law or intentionally filing a false statement is a class B misdemeanor.

4-20-98
Date

Karla J. Pierce
Signature of Person Making Statement

NUMBER OF ADDITIONAL PAGES _____.

Return your completed statement to the Secretary of State, State House, Topeka, Kansas 66612.

APPOINTMENTS QUESTIONNAIRE

Office of Governor Bill Graves

Please complete and return this form to the Governor's Appointments Office. Attach additional sheets if necessary.

Name: Karla Jayne Hulett Pierce

Home Address: 107 Cedar St, P.O. Box 217

City, State, Zip: Overbrook, KS 66524

Business Address: 915 Harrison St

City, State, Zip: Topeka, Kansas 66612

Home Phone: 785-665-7587 Business Phone: 785-296-3042

Date of Birth: 02-18-56 Place of Birth: Warrensburg, Mo

Party Affiliation: R KBI Check: NA In Process Complete

BACKGROUND

1. List high school, college, or other education institutions attended along with the date attended and degree conferred.

<i>Education Institution</i>	<i>Dates</i>	<i>Degree</i>
<u>Lyndon High School</u>	<u>1970-1974</u>	<u>diploma</u>
<u>Kansas State University</u>	<u>1974-1975</u>	<u>none</u>
<u>Kansas University</u>	<u>1977-1979</u>	<u>BS in Accounting</u>

2. List memberships in business, trade and professional organizations for the past 10 years.

<i>Organization</i>	<i>Dates</i>
<u>Federation of Tax Administrators</u>	<u>1992-Current</u>
<u>Kansas Association of School Boards</u>	<u>1989-1992</u>

3. List any public offices you have been elected or appointed to, along with the dates of service.

<i>Office Held</i>	<i>Dates</i>
<u>USD #434 School Board Member & President (91-93)</u>	<u>1989-1993</u>
<u>Inter Local #620 Special Education Board Member</u>	<u>1989-1992</u>

4. List any positions held with a foreign, federal or local government entity along with the dates of service.

<i>Position</i>	<i>Government Entity</i>	<i>Dates</i>

5. List any lobbying activities you have been involved in during the past five years. This includes activities as a registered lobbyist activities for which you were compensated.

<i>Group</i>	<i>Compensation (yes/no)</i>	<i>Dates</i>

6. List experience or interest which qualify you for the position to which you have been appointed.

19 years experience in the KS Department of Revenue. I served three
years as an auditor, held various management positions and led the
redesign of the Department.

7. Summarize business and professional experience.

I have experience with developing tax policy, applying information
technology to business requirements, led and managed a large staff of
employees. I have developed budgets, hired & counseled & dismissed employees.

8. List any service in the United State military. Include dates of service, branch, date and type of discharge.

<i>Branch</i>	<i>Discharge</i>	<i>Dates</i>

9. Provide details of any arrest, charge or questioning by a federal, state or other law enforcement authority for violation of any federal, state, county or municipal law, regulation or ordinance (excluding traffic violations for which a fine of \$100 or less was imposed).

none

10. List and provide details of any interests that may present a conflict of interest for this position.

none

I, Karla J. Pierce, declare that this questionnaire is true, correct and complete to the best of my knowledge.

Karla J. Pierce
Signature

January 8, 1999
Date

*Return completed questionnaire to Judy Krueger, Secretary of Appointments, State Capitol, Rm 226-S, Topeka, Kansas 66612.
If you have questions, please call 913/296-4052.*

Karla J. Pierce

Summary

Since 1995, I have led and directed the Division of Tax Operations through a transformation to a "customer first" organization. This initiative was accomplished through Project 2000. From 1980 to 1995, I progressed through a number of increasingly responsible positions in the Audit Bureau, Quality Control Bureau and Business Tax Bureau. I have managed many special projects to improve tax operations. My experience spans all facets of KDOR operations.

Experience

Director of Tax Operations, Director Project 2000 1995-Present

In my current position, I am responsible for managing the Division of Tax Operations and Project 2000. With 550 associates and an annual budget of \$23 million, Tax Operations includes four major line organizations and field operations distributed throughout the state. We cover all business functions required to deliver tax administration services to Kansas citizens. Project 2000 is a \$65 million, four year initiative to transform KDOR into a "benchmark for the nation" for efficient, customer-focused services. Accomplishments to date include:

- Reengineered business operations around the vision of treating the taxpayer as a customer. Working with Secretary LaFaver, I directed the comprehensive and successful customer survey and outreach program, contacting 6600 businesses, individuals and tax practitioners.
- Developed and implemented a blueprint for reorganization to deliver the customer required services. This included recruiting all new managers and team leaders.
- Improved the productivity of the work force by designing six new job types including a customer representative position, reassigned over 400 staff positions to the new jobs and retrained the work force to successfully complete the new jobs. Established a Learning Center to support the human side of the transition by providing over 45,612 hours of training to date.
- Implemented new technology infrastructure and new business applications proven in the private sector as a foundation for current and future service improvements, including:
 - Telefile and Tel-Assist
 - Tax Discovery database matching system
 - Collections Case Management and Workflow System
 - Decision Analytics (Risk Based Account Management)
 - Online Policy Library
 - Image and data capture of tax returns and payments
- Achieved \$40 million in enhanced revenues through FY'98

Bureau Chief, Business Tax Bureau 1994-95

Managed a staff of 105 associates administrating of 25 KDOR business taxes. Developed and implemented a quality improvement plan that guided the implementation of improvements to the withholding tax system, improved tax registrations process and prepared the bureau for the subsequent implementation of customer segments.

**Bureau Chief, Assistant Bureau Chief, Quality Control Bureau
1983-94**

Managed a staff of 140 full time and 50 part time associates performing returns processing and accounting for 60+ taxes and fees received by the Department.

- Reduced staff requirements by 25%
- Implemented comprehensive quality management principles that increased accuracy of returns entering KDOR systems from 40 to 97%

KDOR Special Projects

Early in my career at KDOR, I established my commitment to improving the efficiency and effectiveness of the organization through improved management and new technology. As a result I have consistently been asked to participate in or to lead significant department initiatives:

- 1994-1995 - Business Process Reengineering Manager; developed request for proposal, evaluated responses, negotiated procurement and selected consultant for Project 2000. This project is a \$65 million comprehensive business transformation project.
- 1993-1994 - Participated in the first KDOR strategic planning process, selected consultant and reviewed final plan before it was published.
- 1992-1995 - Kansas Quality Management Coordinator for Dept. of Revenue and member of Statewide Planning and Guidance Committee
- 1992-1993 - Accounts Receivable Management System Support Project Director. This role lead 10 teams (100 associates) using various quality management techniques to improve the performance of a newly implemented computer system.
- 1992 - Coordinated the completion of a six week needs analysis that assessed the complete business operations. This document was the genesis of the complete transformation of KDOR.
- 1987 - Member of the Lottery start-up team responsible for accounting controls design

Education

BS in Accounting

Kansas University, Lawrence KS

- I have attended many continuing education opportunities through workshops, conferences and formal training. I consider myself a life long learner.

**Awards and
Professional
Recognition**

Awards, Publications and Presentations

- 1998 Federation of Tax Administrators Award for Leadership and Service
- Tax Administrator News, "Putting the Customer First - How do you do it?"
- Federation of Tax Administrators Annual Meeting Presentations
 - 1994 - Integrated Tax Systems
 - 1995 - Procurement of Project 2000, panel discussion
 - 1996 - Management Process and Balance Scorecard Measures
 - 1997 - Decision Analytics (Risk Based Account Management)
 - 1998 - Building a Learning Organization
- Midwestern States Association of Tax Administrators Annual Meeting Presentations
 - 1992 - TQM
 - 1993 - Collections support project
 - 1996 - Integrated tax systems, changing culture
 - 1998 - Risk Management for Tax Administration
- Federation of Tax Administrators Annual Technology Meeting Presentation
 - 1996 - Alternative Procurements/Benefits funded contracts
- National Association of State Information Resource Executives Conference Presentation
 - 1996 - Reengineering a tax agency
- American Management Systems User Conference Presentation
 - 1997 - Decision Analytics (Use of STRATA software for Taxation)
- State Human Resources Conference Presentations
 - 1989 - TQM in Quality Control
 - 1994 - Changing paradigms
 - 1995 - Organization development plans for Project 2000
 - 1998 - Building a Learning Organization

**Community
Service**

Elected Office and Community Organizations

- USD #434 School Board Member 1989 -1993 and President 1991-1993
- Board Member of Special Education Cooperative 1989-1992
- Member of Kansas Association of School Boards' Legislative Committee 1992-1993
- Member of United Methodist Church, United Methodist Women
 - Trustee, Pastor / Parish Relations Committee
- 4-H Citizenship Project Leader