



MINUTES OF THE KANSAS 2000 SELECT COMMITTEE.

The meeting was called to order by Chairperson Kenny Wilk at 1:40 p.m. on March 2, 2000 in Room 526-S of the Capitol.

All members were present except: Representative Richard Alldritt - excused
Representative Tim Carmody - excused
Representative Dave Gregory - excused
Representative Susan Wagle - excused

Committee staff present: Alan Conroy, Legislative Research Department
Jim Wilson, Revisor of Statutes
Janet Mosser, Committee Secretary

Conferees appearing before the committee:
Senator Lana Oleen
Barbara Hinton, Legislative Division of Post Audit
Kathy Porter, Office of Judicial Administration
Representative Doug Spangler

Others attending: See attached list.

Chairperson Wilk opened the hearing on **SB 393 - K-GOAL; agencies subject thereto.**

The fiscal note was distributed.

Senator Lana Oleen, proponent, was recognized to address the committee (Attachment 1).

Barbara Hinton, Legislative Division of Post Audit, proponent, was recognized to address the committee (Attachment 2).

Kathy Porter, Office of Judicial Administration, opponent, was recognized to address the committee and pointed out her opposition to only New Section 21 of the bill (Attachment 3).

Representative Doug Spangler, opponent, was recognized to address the committee and expressed his agreement with the testimony of Kathy Porter. He encouraged the committee to become more aware of the problems of the courts. The court system is underfunded and an audit is not needed to tell the courts their problem. It costs money to attract and retain staff in the courts. He would approve of the bill if New Section 21 was stricken.

Questions and discussion followed testimony.

Chairperson Wilk closed the hearing on **SB 393**.

Chairperson Wilk directed the committee's attention to discussion of the minutes for January 12, 18, 19, 20, 24, 25 and 26 which were distributed to the Representatives' offices on February 29th. Representative Sharp moved to approve the minutes. The motion was seconded by Representative Horst. The motion carried.

Chairperson Wilk announced that the Subcommittee on Defined Contribution Plan Legislation will meet on Tuesday (March 7) at 1:30 p.m. in Room 526-S.

Chairperson Wilk adjourned the meeting at 2:25 p.m.

The next meeting of the full committee is scheduled for March 6, 2000.

LANA OLEEN
 SENATOR, 22ND DISTRICT
 GEARY AND RILEY COUNTIES



TOPEKA

CHAIR: FEDERAL AND STATE AFFAIRS
 CHAIR: CORRECTIONS/JUVENILE JUSTICE
 CHAIR: LEGISLATIVE POST AUDIT
 VICE CHAIR: JUDICIARY
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SENATE CHAMBER

**TESTIMONY BEFORE THE
 KANSAS 2000 SELECT COMMITTEE
 ON SENATE BILL 393**

Senator Lana Oleen, Chair
 Legislative Post Audit Committee
 March 2, 2000, 1:30 p.m., Room 526-S

Mister Chairman and members of the Committee, thank you for allowing me the opportunity to address you on Senate Bill 393. As Chair of the Legislative Post Audit Committee, I'm speaking on behalf of the Committee in support of this bill.

SB 393 came out of a Post Audit Subcommittee's review of the K-GOAL law and the performance audits that Legislative Post Audit has done over the past eight years under that law. I chaired that Subcommittee, and was joined by three other members, including Representative Wilk.

In reporting back to the full Committee, our Subcommittee unanimously concluded the following:

- K-GOAL audits are an integral part of the legislative oversight process and of the Post Audit Committee's oversight efforts and responsibilities, and are a key tool in the process of improving State government operations
- past K-GOAL audits have been useful at addressing key aspects of State agency operations, identifying areas for improvement, and suggesting ways to reduce costs, clarify State law, and improve agencies' performance

The Legislative Post Audit Committee endorsed the Subcommittee's position, and voted to introduce the legislation you have before you today.

Because SB 393 continues a powerful legislative tool for "good government," I urge the House 2000 Select Committee to consider this bill favorably for passage.

**Testimony for the
Kansas 2000 Select Committee
SENATE BILL 393**

Barb Hinton, Legislative Post Auditor
March 2, 2000

Mr. Chairman and members of the Committee, I'm appearing before your Committee today on behalf of the Legislative Post Audit Committee in support of Senate Bill 393, which amends the Kansas Governmental Operations Accountability Law, otherwise known as K-GOAL.

In brief, this bill does two primary things:

- **it specifies the agencies that will be subject to a performance audit under K-GOAL.** The current law sets out an 8-year schedule of agencies that are subject to legislative review and evaluation. As part of that review, Legislative Post Audit is required to conduct a performance audit of some aspect of each designated agency's operations, as directed by the Legislative Post Audit Committee.

This amendment retains all the agencies that are currently subject to audit under the law except the State Conservation Commission, the Capitol Area Security Patrol, and KPERS. In addition, several agencies have been added: the Juvenile Justice Authority, the public safety agencies, the Board of Regents, and the judicial branch.

- **it specifies when each agency will be subject to audit.** The current law specifies when the K-GOAL audits of designated State agencies are to be completed. The initial 8-year schedule ran from 1993-2000. This amendment sets a new 8-year schedule that runs from 2001-2008. However, the law gives the Post Audit Committee some flexibility in deciding when a designated agency will have a K-GOAL audit within the 8-year period. This provision allows the Committee to approve more of the audits requested by individual legislators and committees as K-GOAL audits.

The graphic on the next page shows which agencies would be audited under K-GOAL each year under SB 393. About 10%-15% of Post Audit's total available in-house audit hours are taken up with K-GOAL audits in a typical year.

I've included a summary of the history of K-GOAL as an attachment to my testimony, as well as a summary of the major findings for the K-GOAL audits we completed from 1993 to 2000,. We've identified some significant and potentially far-reaching problems through these audits, and in many cases have recommended some fairly sweeping changes to address these problems and to improve State agencies' performance and accountability.

Thank you for giving me the opportunity to appear before you today.

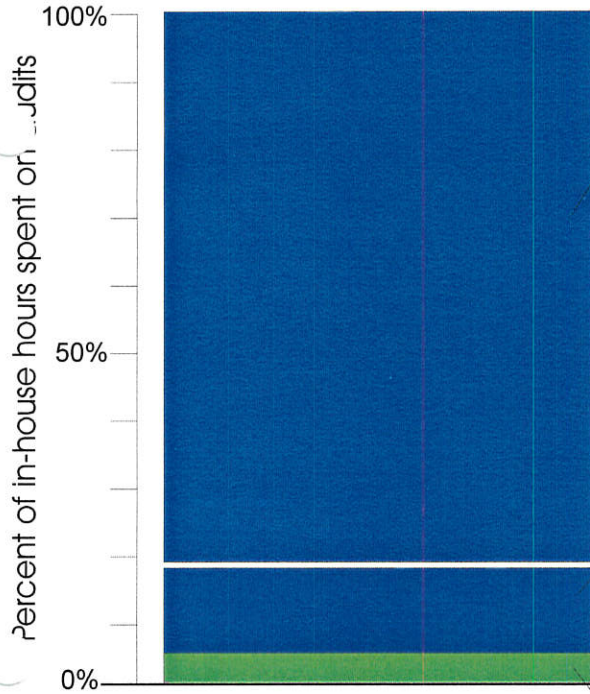
Kansas 2000 Select Committee

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Attachment 2

Percentage of Legislative Post Audit Resources Devoted to Audits by Type

2-22



Performance audits are done as directed by the Legislative Post Audit Committee in response to legislative requests. They're done by Post Audit staff and take about 80%-85% of available audit resources. Depending on their size and complexity, staff can complete about 15-20 performance audits each year.

K-GOAL performance audits are required by law, and are done on a statutory schedule rather than by legislative request, but in all other respects are just like any other performance audit. Their scope and specific audit questions are directed by the Legislative Post Audit Committee, and they are done by Post Audit staff. Depending on their size and complexity, these audits generally take about 10%-15% of total in-house audit resources per year. Here is the proposed new schedule:

2000	2001	2002	2003	2004	2005	2006	2007
Dept. of Administration	KDHE	Dept. of Corrections/	SRS	Dept. of Education	Corporation Commission	Judicial Branch	Dept. of Transportation
Dept. of Commerce and Housing	Dept. of Agriculture	Juvenile Justice Authority	Dept. on Aging	Board of Regents	Dept. of Human Resources	Dept. of Wildlife & Parks	Dept. of Revenue
	Water Office/ Water Authority	Public Safety Agency(ies)					

Compliance and Control audits generally look at selected financial control areas and related compliance. They are done by Post Audit staff (generally by one person). These audits generally take about 5% of staff resources in a year. They are performed according to a three-year schedule approved by the Legislative Post Audit Committee, and cover about 5-10 agencies per year.

This graphic shows that about 10%-15% of the Division's total available in-house audit hours are taken up with K-GOAL audits in a typical year (the average for fiscal years 1996-1998 was 13%). Another 5% or so are used by compliance and control audits. The remainder are used for non-K-GOAL performance audits. Financial-compliance audits, which are contracted to CPA firms, aren't included in this chart.

A Brief History of the Kansas Governmental Operations Accountability Law

Before K-GOAL: the Kansas Sunset Law. In 1978, Kansas became the 26th state to pass a Sunset Law as part of a national trend to strengthen legislative oversight of State agencies and to make government more responsive to the public. Under that law, specified agencies were abolished on a certain date unless the Legislature took action to continue them. Smaller regulatory agencies were the initial focus of the Sunset Law, because they were subject to less oversight during the appropriations process.

The legislative process for deciding whether to abolish or continue those agencies included hearing the results of a “sunset” performance audit conducted by Legislative Post Audit, and holding public hearings. The House and Senate Committees on Governmental Organization generally were assigned the tasks of these sunset reviews. These reviews resulted in only a few small agencies—such as the Athletic Commission and the Mobile Home and Recreational Vehicle Commission—ever being abolished.

In 1981, the Sunset Law was amended to exclude many of the smaller regulatory agencies and include more of the larger State agencies. The focus of the legislative sunset reviews shifted to finding ways to improve those agencies’ performance, even though the threat of abolition remained. The sunset performance audits that had been done as part of each sunset review became optional at that time. For the most part, these audits were done only sporadically after 1983. The Sunset Law itself was scheduled to “sunset” in 1992.

History of K-GOAL. A Special Committee on Governmental Organization reviewed the Sunset Law during the 1991 interim to consider whether to recommend extending, changing, or abolishing it. The Committee concluded that the law hadn’t fulfilled the expectation of abolishing unnecessary agencies and programs, but that its most useful aspect had been the periodic reviews of State agencies, especially when performance audits were available to guide legislative consideration of agency performance and programs.

In place of the Sunset Law, the Special Committee recommended introducing a new set of legislative oversight procedures through the Kansas Governmental Operations Accountability Law. The K-GOAL law’s stated purpose was to establish a procedure to ensure that State government served the public in the most beneficial, efficient, and cost-effective way possible, without the threat of abolition. Key provisions of that law included the following:

- The Legislative Post Audit Committee would direct performance audits of each State agency subject to legislative review and evaluation under K-GOAL.
- The scope of the performance audits could be specific or general, as the Committee directed.

- The law designated the agencies that were subject to a K-GOAL audit, and specified when those audits were due over an 8-year cycle that ended in 2000. Some of the agencies formerly covered under the Sunset Law were placed under K-GOAL list, and some new agencies were added.
- The audits had to be completed no sooner than two years before—and no later than the 30th calendar day of—the legislative session when the agencies were due for legislative review and evaluation. This provision allowed the Post Audit Committee to “count” recently completed audits as K-GOAL audits, when that made sense.

The 1992 Legislature passed the K-GOAL law, and repealed the Sunset Law.

During the 1994 session, the Legislature amended the K-GOAL law to give the Post Audit Committee some flexibility in deciding when a designated agency was scheduled to have a K-GOAL audit, though none could be scheduled beyond 2000. This provision allowed the Committee to approve more of the audits requested by individual legislators and committees as K-GOAL audits. The 1994 Legislature also authorized one additional auditor to help handle the increased workload of audits.

During the 1995 session, legislation was introduced to repeal the K-GOAL law, but that legislation didn't pass.

How topics have been selected for K-GOAL audits. To help identify issues that might be of interest or concern for K-GOAL audits, Post Audit staff routinely have contacted legislators, Legislative Research staff, and agency staff, and reviewed published reports, budget documents, and other sources. We also identified other legislative requests for audits that could fulfill the K-GOAL audit requirements. This information was provided to the Post Audit Committee for its final decision.

Sometimes the audit topics selected have been more general, focused on how well a particular aspect of an agency was working. Other times, however, the areas selected have been the burning issues of the day, and they became obvious choices for a K-GOAL review (i.e., the diversion of federal Park moneys at the Department of Wildlife and Parks).

The next page shows the K-GOAL audits that were done from 1993-2000, and the focus of those audits.

**Agencies Subject to K-GOAL Audits and
Focus of Audits Conducted (1993-2000)**

<u>Session specified for review:</u>	<u>Legislative session completed for:</u>
1993 Department of Social and Rehabilitation Services <i>(foster care program)</i>	1993 (used 1991 audits)
Capitol Area Security Patrol <i>(general effectiveness)</i>	1993
1994 Department of Administration <i>(Division of Personnel Services)</i>	1994
Department of Commerce and Housing <i>(economic development activities)</i>	1994
1995 Department of Health and Environment <i>(impact of federally mandated regulations, and waste tire disposal program)</i>	1996 (2 audits)
Kansas Water Office and Water Authority <i>(potential duplication of water regulation)</i>	1995
1996 Department of Transportation <i>(highway construction)</i>	1996
Department of Agriculture <i>(weights and measures enforcement program)</i>	1996
1997 Department of Revenue <i>(sales tax collection and enforcement)</i>	1997
State Conservation Commission <i>(effectiveness at meeting Water Plan goals)</i>	1997
Kansas Public Employees Retirement System <i>(types of benefits provided)</i>	1997
1998 State Corporation Commission <i>(abandoned wells)</i>	1998
Department of Education <i>(Statewide assessment tests)</i>	1998 (used 1996 audit)
1999 Department on Aging <i>(in-home services to the elderly)</i>	1999
Department of Human Resources <i>(implementation of 1993 changes to the Worker's Compensation law)</i>	1999
2000 Department of Corrections <i>(handling of parole violators and safety issues)</i>	2000 (2 audits)
Department of Wildlife and Parks <i>(financial management, efficiency, and effectiveness)</i>	1995

Discussion of SB 393. Under the current law, no more agencies are scheduled for audit under K-GOAL, and none of the agencies that have had an audit completed have been retained in law for another audit, as allowed.

Because no further K-GOAL audits would be done unless the Legislature took some action, during the 1999 interim Representative Wilk, then Chair of the Legislative Post Audit Committee, appointed a Subcommittee on K-GOAL Audits to consider the need for and usefulness of K-GOAL audits, and to make recommendations to the full Committee regarding future K-GOAL audits.

The Subcommittee reviewed the law and the results of audits that had been conducted under K-GOAL, and concluded that both added significantly to the Legislature's current oversight "tools." The Subcommittee's recommendation for continuing to do K-GOAL audits was endorsed by the full Committee.

AGENCY	FOCUS	ISSUE DATE	SUMMARY OF MAJOR FINDINGS
Department of Social and Rehabilitation Services	Foster Care Program	October 1990 through June 1991	The number of children in the program had risen significantly. The number of foster care providers had kept up, but the number of social workers had not. In fact, average caseloads were more than double a proposed standard. The Department didn't always recommend services needed. In addition, placements weren't always made as recommended, and services weren't always provided as recommended. However, appropriate placements and services weren't always available.
Capitol Area Security Patrol	Effectiveness of the Program	January 1993	Few State employees had experienced security-related problems. Nevertheless, there were some security weaknesses. The Patrol didn't have enough staff, nor did it have written policies and procedures that would have helped ensure adequate security. Two buildings were potentially unsafe because of locked doors or inadequate alarm and detection systems.
Department of Administration	Division of Personnel Services	January 1994	Many personnel functions provided by the Division of Personnel Services and personnel staff in State agencies were carried out efficiently and effectively. However, the hiring process, the performance evaluation plan, and the pay plan used by the State were not serving all of the State's needs. Because the Division approves several routine personnel actions performed by the agencies, these actions require more effort and involve more processing than should be necessary. The state pays its employees as much as \$2 million more a year in overtime than it needs to.
Department of Commerce and Housing	Economic Development Activities	February 1994	The Department has established programs in line with its mission, and it can demonstrate economic results in accord with that mission. In many cases the Department has not established specific criteria or gathered the kinds of data it needs to determine whether specific programs are achieving the intended results. Creating the Division Housing has had little effect on the economic development activities of other divisions. Kansas' organizational structure for housing programs was similar to the structure of other nearby states. The Department did not give proper notice of a public hearing held to consider possible amendment of the State Community Development Block Grant plan.
Department of Health and Environment	Assessing the Impact of Federal Mandates	June 1995	The Department didn't always accurately and completely assess the impact of new regulations. The sample of economic impact statements reviewed did not always contain the information

required by law. These problems are attributed to the agency's lack of standardize procedures, its policy of excluding certain costs from the impact statements, and its failure to involve all those affected by the regulations in the process.

Department of Health and Environment

Implementation of Waste Tire Disposal Program

June 1995

The Department established adequate regulations for the Waste Tire Disposal Program. However, the Department issues permits to operators who haven't met all the State's requirements, issues permits without inspecting waste tire facilities, allows some facilities to continue operating in apparent violation of State laws and regulations, doesn't routinely inspect facilities or conduct follow-up inspections when problem are identified, and makes no attempt to inspect out-of-State transporters who hold Kansas permits. The Department needs to improve its handling of permit fees collected from waste tire operators. The Department needs to better monitor grant moneys given to local units of government to help clean up, dispose of, or recycle waste tires in Kansas.

Water Office and Water Authority

Potential Duplication of Water Regulation Activities

September 1994

No significant duplication effort was found in the state agencies given shared responsibility for three water-related programs. In areas where the agencies' activities overlap, they have entered into agreements to help minimize the possibility of duplication. Kansas has a more decentralized organizational structure for regulating water than do other states. Kansas was the only state where the water permitting process is placed within an agricultural agency.

Department of Transportation

Highway Construction

November 1995

If the Department completes the work planned for fiscal years 1996 and 1997, it will accomplish most of the major requirements of the Comprehensive Highway Program. At the end of FY 1995, the State Highway fund has a cash balance over \$1 billion. Even so, the Department's current spending estimates show the balance in the State Highway fund could be depleted by FY 2003. The Department has established and followed good procedures to ensure that quality highways are built at a reasonable cost, but it needs to improve its detection of bidder collusion, and it needs to ensure that its staff conduct all required tests to ensure that roads are well built.

Department of Agriculture

Weights and Measures Regulation

January 1996

The Department hasn't been effective at ensuring the accuracy of the State's measuring devices. Factors that have contributed include inadequate oversight by the Department of private companies doing inspections and lack of sufficient enforcement actions. The Department has done very limited testing for octane levels, and hasn't always responded effectively to address problems it found in this area.

Department of Revenue	Sales Tax Enforcement and Collection	November 1996	<p>The Division of Collections isn't very cost-efficient or effective, and it doesn't routinely produce and review the basic management information it needs to track its effectiveness and efficiency. There are several problems with collection activities, including inconsistency and a lack of timeliness. The Department's Audit Bureau appears to be cost-efficient. The current practice of handling sales tax exemptions is the same approach used by most other states. Parts of the sales tax law are hard to interpret, which results in inconsistent treatment of taxpayers. Department officials contend the law should be changed in order to remedy this problem.</p>
Conservation Commission	Effectiveness in Meeting Goals	October 1996	<p>The Commission has done a good job of awarding program moneys for the projects and areas of the State that were targeted as priorities in the State Water Plan. However, the ways in which the Annual Implementation Plan is developed and projects are approved may not ensure that compliance with Water Plan goals will always be as high in the future for Commission-funded programs. Although the Commission collects some information about whether moneys being spent are effective at meeting Water Plan goals, part of that information may not be reliable. The Commission's programs could be transferred to other State agencies and the Commission abolished, but there wasn't a compelling reason to do so, and the savings that could be achieved are unclear.</p>
Kansas Public Employees Retirement System	Benefits Provided	October 1996	<p>The System's benefits and employee contribution rates are average when compared to other state retirement systems. However, Kansas provides a smaller health insurance subsidy and fewer cost-of-living increases for its retirees than other states. The System wasn't as well funded as other retirement systems. Compared with private-sector employer's defined-benefit retirement plans, the System's benefits were in the middle. Defined benefit plans aren't portable and tend to provide smaller total retirement benefits to employees who change jobs frequently. There are ways to increase portability, but these options require some cost to the State.</p>
Corporation Commission	Conservation Division	February 1998	<p>The Division and its staff don't collect all the information need to be sure that it and the well operators it regulates are doing all that's required by State law and Commission regulations. When violations are found, a bottleneck in the Legal Section slows actions against operators, and weakens the Division's enforcement efforts. This results in increased risks to the environment and increases in State costs for plugging abandoned wells. New financial assurance requirements have been put into place to limit these costs, but it's</p>

unclear how well they will work. The Division is working on plugging abandoned wells with the highest risk of causing problems, but it will take until at least 2008 to plug the most dangerous wells.

Department of Education	Use of State Assessment Tests	June 1996	The Department and the University of Kansas Center for Educational Testing and Evaluation said assessment test results shouldn't be used as the sole factor in comparing individual students' performance or in making comparisons between schools or districts. Most school officials are using the assessment test scores appropriately, but some are misusing them, and the Legislature is contributing to such misuse. School officials had mixed feelings about the tests. Teacher liked the performance component of the writing assessment test, but disliked other tests. Assessment tests in other states were similar to those in Kansas, except that their tests generally are scored centrally and other standardized tests are required.
Department on Aging	In-Home Services to the Elderly	February 1999	The Department does a thorough job of evaluating the services provided to elderly Kansans in their homes when those services are paid for with Medicaid. The Department doesn't do enough monitoring of such services paid for by non-Medicaid moneys. More Department oversight would provide more conclusive assurance that spending is appropriate and the quality of service is acceptable for non-Medicaid programs. The State requires most agencies and individuals that provide in-home services to be licensed or certified, but some of those agencies aren't being inspected. State law mandates little regulation of people who provide "hands-on" attendant care services. Area Agencies aren't doing a good job of tracking complaints received about service, and the Department's resolution of complaints wasn't well documented.
Department of Human Resources	Implementation of 1993 Statutory Changes	February 1999	The Department hasn't improved its workers' compensation information system. The Department needs to complete the upgrade of the computer system, and it needs to work toward having more data submitted electronically. The Department has taken steps to implement each amendment of the Workers' Compensation Act (1993). However, in the three specific areas reviewed--fraud investigation, accident prevention, and studies of claims costs--the Department's actions weren't effective.
Department of Wildlife and Parks	Financial Management, Efficiency, Effectiveness	February 1995	The Department's financial management practices weren't adequate to provide needed accountability for restricted moneys, leading the Department to violate state law and misspend \$4 million of wildlife and park moneys during FY's 1989-1992. From a program perspective, the Department has met some of its goals.

Department of Corrections

Part 1: Staff Safety and Salary Issues

July 1999

Organizationally, the Department's combination of parks and wildlife staffs is different from most states. The Department also has a layer of management not found in other states, and has devoted proportionally more of its employee resources to support activities and less to field activities than other states.

To deal with staff shortages, the prison facilities use relief staff, leave less-critical posts vacant, and rely on overtime. The medium- and minimum-security units at Lansing Correctional Facility are frequently operated at staffing levels that could compromise staff safety, and officials there often don't follow their operational staffing plan. Other Kansas correctional facilities may be experiencing the same types of problems. Low salary levels have contributed to staffing shortages. Kansas also had one of the highest turnover rates in the five-state region over the past five years. Inability to recruit staff to fill positions has worsened staff shortages, tripled overtime costs, and increased the burden on existing staff.

Department of Corrections

Part 2: Procedures for Dealing with Parole Violators

August 1999

Kansas' parolee supervision and sanctioning procedures compare favorably to other states we reviewed, but only a few other states have detailed written criteria parole officers are to follow when issuing sanctions for parole violators. During a recent eight-month period, we found that few of the parole officers had completed all the routine supervision tasks that would help them to know if parolees were committing violations. However, when they did find violations, parole officers followed the sanctioning criteria about 82% of the time. In the 18% of the cases where officers didn't follow the criteria, they tended to be more lenient than allowed. When we reviewed cases involving parolees charged with committing serious crimes, we found that the sanctioning criteria weren't followed as often as in the other random cases. In addition to supervision and sanctioning shortcomings in these serious cases, we also found communication problems.



State of Kansas

Office of Judicial Administration

Kansas Judicial Center
301 West 10th
Topeka, Kansas 66612-1507

(785) 296-2256

House Kansas 2000 Select Committee

March 2, 2000
Testimony on SB 393
Kathy Porter
Office of Judicial Administration

Thank you for the opportunity to testify on SB 393. I would begin by pointing out one difference between New Section 21, which would require an audit of the Judicial Branch, and the other sections of this bill. All of the agencies referenced in the bill are Executive Branch agencies created by statute, and the statute establishing each agency is referenced in the bill. In contrast, New Section 21 references Section 1 of Article 3 of the Constitution of the State of Kansas, which vests all judicial power of the state in one court of justice. The Constitution establishes the Judicial Branch as a separate, but equal, branch of government.

Throughout the bill, references are made to state agencies subjected to audit under the act. However, the Judicial Branch is not a state agency. The Kansas Governmental Operations Accountability Law, or K-GOAL, lists among its goals "to keep secure the constitutional rights of Kansas citizens. . . ." K.S.A. 74-7284. The stated intention of K-GOAL is to ensure accomplishment of the declared purpose of state government 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." As a constitutionally established branch of state government, the majority of these purposes do not apply to the Judicial Branch, and the inclusion of the Judicial Branch in this bill is not appropriate. Therefore, I request that New Section 21 be stricken from the bill.

The Judicial Branch has submitted to performance audits in the past, and is subject to financial audits on an ongoing, regular basis. The most recent performance audit of the Judicial Branch was made by the Legislative Division of Post Audit in 1997. Among other findings, the 1997 audit noted that, while caseloads had increased by 40% during the ten-year period from 1987 to 1996, the number of nonjudicial personnel grew by only 7%. Since 1997, caseloads have grown even more, and few nonjudicial personnel have been added to address the growth. Only two recommendations of the report required little or no funding to implement, and they have been implemented. The majority of the recommendations, including increasing the number of nonjudicial staff, seeking state funding for computer technology, and requesting other financial resources to address caseload growth, would require a large infusion of additional funding. Despite annual requests for funding to accomplish these recommendations of Legislative Post Audit, budget growth remains a fraction of caseload growth, and the budgetary deficiencies noted have yet to be addressed.

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Attachment 3

Rather than the "sunset" type of review contemplated in SB 393, a meaningful performance audit of the Judicial Branch could be accomplished by an outside entity with expertise in the area of state court management. Such an entity exists in the National Center for State Courts, and other states contract for expert services from this nationally known organization. Funding for audit or consultation services from the National Center would accomplish the goal of reviewing and evaluating court operations, determining areas of efficiency or inefficiency, and providing expertise to improve the system. All of these are goals that we share.

Thank you for this opportunity, and I would be glad to stand for questions.

KP:mr