

Approved: February 23, 2007

Date

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY AND TECHNOLOGY COMMITTEE

The meeting was called to order by Chairman Jim Morrison at 3:35 P.M. on February 20, 2007, in Room 526-S of the Capitol.

All members were present except Representative Tafanelli, who was excused.

Committee staff present:

Mary Galligan, Kansas Legislative Research
Tatiana Lin, Kansas Legislative Research
Renae Jefferies, Office of Revisor of Statutes
Gary Deeter, Committee Assistant

Conferees appearing before the committee: None

Others attending:

See attached list.

The minutes for the February 19 meeting were approved. (Motion, Representative Loganbill; second, Representative Mah)

Renae Jefferies, Office of the Revisor of Statutes, reviewed the synthesis of previous balloon amendments into **Substitute for HB 2457** –dealing with the Kansas taxpayer transparency act (Attachment 1). She said the present bill includes the two balloons from the February 19 committee meeting, excluding the stricken material. She commented on specific provisions of the bill: the single searchable website under the authority of the Secretary of the Kansas Department of Administration, the definition of an agency, the categories of receipts and expenditures, which extend beyond the appropriations parameters, the establishment of an advisory public finance transparency board, a beginning date of March 1, 2008, and the fiscal year's information accessible 45 days after the end of the fiscal year.

Ms. Jefferies noted some important features of the bill. She said the Secretary has the latitude to determine what is available within the central accounting and state payroll systems as well as incorporating information from other sources. Data will be made accessible beginning with FY 2002 and retained on a single website for 10 years, with the earliest year being dropped at year 11 and subsequent years. She stated that an 11th member, the state archivist, was added to the advisory board to help determine how information is to be archived, changing the quorum to six. She commented that the Secretary is given authority to implement the provisions of the act by policies and procedures. The Committee gave Ms. Jefferies freedom to make any grammatical or technical changes in the bill.

Members discussed provisions and details of the bill. Answering a question, Representative Sharp said compensation for board members is based on K.S.A. 75-3223.

Representative Sloan made a motion, seconded by Representative Sharp, to amend the bill to include the compensation provisions for legislative members and public members of the board under K.S.A 75-3223.

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After brief discussion, the motion passed.

Responding to another question, Martin Eckhardt, Director, Central Accounting Services, Division of Accounts and Reports, Department of Administration (DofA), said that 45 days after the close of a fiscal year is sufficient to provide data from STARS (Statewide Accounting and Reporting System) and SHARP (Statewide Human Resources and Reporting and Payroll). Outside those two systems, he could not give a knowledgeable answer, observing further that the Secretary has flexibility in providing available data.

Tracy Smith, General Manager, Kansas.gov, replied to another question that Kansas.gov can work with DofA to create an ostensible single website and meet the requirements of the proposed legislation. Duncan Friend, Project Manager, Financial Management System, Division of Information Systems and Communications, DofA, replied that Kansas.gov is the public face, behind which DofA will supply the data.

A member noted that some agencies such as the Kansas Board of Regents make multiple-fund payments. Mr. Friend said if payments came from both state and local funds and if the accounts are not in SHARP, identifying sources would be problematic. Another member expressed concern about making a blanket rule to address isolated issues.

A member raised the question of access to budget narratives and how they could be obtained. Gavin Young, Director of Public Affairs, DofA, replied that the Governor's budget includes narrative that can be searched online with Adobe Acrobat, but that agency budget requests go to the Kansas Department of Legislative Research; narratives provided to Research are not accessible online.

The Chairman commented that the bill will be implemented incrementally: what presently exists in STARS will be supplanted by the new Financial Management System (FMS), the latter which will enable the Secretary to expand accessible information. Mr. Friend commented that FMS will not be fully deployed until 2010.

Staff noted a wording variance in the bill, at one place instructing the transparency board to *report* to the Secretary and another place to *advise and consult* with the Secretary. A motion to amend was made, seconded, and passed to strike the word *report* and insert the word *advise*. (Motion, Representative Sloan; second, Representative Mah)

A member raised the question of funding costs for the bill. Mr. Friend said there will be some technical costs and, later, some hardware costs, but an accurate cost estimate would be difficult to make. Mr. Young suggested that the issue could be addressed with a Governor's supplemental budget amendment or included in the Governor's FY 2009 budget.

After some discussion regarding qualifications for board members, Representative Sharp made a motion,

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seconded by Representative Mah, to add the words *or their designee* after the title of members in Section 3(b)(1), (2), (3), (6), and (7). With the permission of the second and maker of the motion, Representative Kelley added a 12th person, the Director of the Kansas Department of Legislative Research or his designee, to the list of board members.

After further discussion the motion passed.

Representative McLeland moved and Representative Kelley seconded a motion to amend the bill by adding three more public members to the board, 2 appointed by the Governor, one by the Speaker of the House of Representatives and one by the President of the Senate. The motion passed 7-6.

A motion was made and seconded to change the quorum requirement and the number of votes necessary to take action to 8 members and to recommend the bill favorably for passage. (Motion, Representative Sloan; a second was made later by Representative Siegfried)

Members discussed budget narrative, appropriation reports, budget analyses, and agency budget requests. Mr. Young commented that database web pages are not searchable for narrative, whereas web pages are text-based and easily searched for text.

When the question was called, one member stated that the proposed bill was bad legislation. Another member recognized that the bill may need further adjustment, but expressed appreciation for the committee process and gratitude to the DofA conferees who provided input; she stated that the bill gives Kansas the opportunity to lead in developing transparency in government.

The motion passed.

The meeting was adjourned at 4:56 p.m. No further meeting was scheduled.

HOUSE GOVERNMENT EFFICIENCY AND
TECHNOLOGY COMMITTEE

GUEST LIST

DATE: FEBRUARY 20 2007

NAME	REPRESENTING
Denise Moore	Exec CITO
Jesse Romo	KDOT
Kent Olson	ASR
Bob Mackley	A+IR
Martin Eddhardt	AKK
Duncan Friend	DofA - DISC
DiAnna Wages	KIC - Kansas.gov
TRACY SMITH	KIC / Kansas.gov

Substitute for HOUSE BILL NO. 2457

By Committee on Government Efficiency and Technology

AN ACT relating to public finance; creating the Kansas taxpayer transparency act; defining terms; requiring the secretary of administration to develop and operate a specified website; enumerating information which shall be made available on such website; establishing a time period covered for information on such website; establishing the public finance transparency board and prescribing its duties; and providing for nondisclosure of certain information.

Be it enacted by the Legislature of the State of Kansas:

Section 1. This act shall be known and may be cited as the Kansas taxpayer transparency act.

Sec. 2. (a) As used in the Kansas taxpayer transparency act:

(1) "Searchable website" means a website that allows the public to search and aggregate the information identified in subsection (b). Such term shall include requirements that the website offer the public the ability to efficiently search and display data, and ascertain the total amounts of revenues and expenditures of funds established within the state treasury in an aggregate or summary form in a manner determined by the secretary of administration; of compensation paid to public employees employed by state agencies; and of bond debt as specified in this act.

(2) "Agency" means any entity or instrumentality of the state of Kansas as defined in K.S.A. 75-3701, and amendments thereto, and any other entity or instrumentality delegated statutory authority by the legislature to issue bonds and to collect revenue for the purpose of repaying bonds issued under authority delegated by statute.

(b) No later than March 1, 2008, the secretary of administration shall develop and operate a single, searchable website accessible by the public at no cost to access, that includes:

(1) Annual expenditures, as determined by the secretary of administration and as available

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within the central accounting system and state payroll system, shall include, but not be limited to:

- (A) Disbursements by any state agency from funds established within the state treasury;
- (B) bond debt payments;
- (C) salaries and wages including, but not limited to, compensation paid to individual employees of state agencies;
- (D) contractual services including, but not limited to, amounts paid to individual vendors;
- (E) commodities including, but not limited to, amounts paid to individual vendors;
- (F) capital outlay including, but not limited to, amounts paid to individual vendors;
- (G) debt service including, but not limited to, amounts of bond interest paid and sources of funds paid for individual bond issues;
- (H) aid to local units including, but not limited to, amounts paid to individual units of government for individually identifiable aid programs;
- (I) other assistance and benefits;
- (J) capital improvements including, but not limited to, amounts of bond principal paid and sources of funds paid for individual bond issues.

(2) Annual revenues, as determined by the secretary of administration and as available within the central accounting system, shall include, but not be limited to:

- (A) Receipts or deposits by any state agency into funds established within the state treasury;
- (B) taxes including, but not limited to, compulsory contributions imposed by the state for the purpose of financing services;
- (C) agency earnings including, but not limited to, amounts collected by each agency for merchandise sold, services performed, licenses and permits issued, or regulation;

(D) revenue for the use of money and property including, but not limited to, amounts received for compensation for the use of state-owned money and property;

(E) gifts, donations and federal grants including, but not limited to, amounts received from public and private entities to aid in support of a specific function or other governmental activity;

(F) other revenue including, but not limited to, receipts not classified elsewhere;

(G) non-revenue receipts including, but not limited to, all receipts that do not constitute revenue.

(3) Annual bonded indebtedness which shall include, but not be limited to, the amount of the total original obligation stated in terms of principal and interest, the term of the obligation, the source of funding for repayment of the obligation, the amounts of principal and interest previously paid to reduce the obligation, the balance remaining of the obligation, any refinancing of the obligation, and the cited statutory authority to issue such bonds.

(4) Any other relevant information specified by the secretary of administration after consulting with and seeking the advice of the public finance transparency board as established in section 3, and amendments thereto.

(c) The single website provided for in subsection (b) of this section shall include data for fiscal year 2002 and each fiscal year thereafter. Such data shall be retained on the single website for not less than 10 years and shall include data for the most recent fiscal years. Data that is available in the central accounting system and state payroll system shall be on the single website as soon as possible, but not later than 45 days after the last day of the preceding fiscal year. The secretary of administration shall develop policies and procedures to make data available from any other source. Nothing in this act shall require the secretary of administration to provide information on the website

that is not available at the time of initial implementation of the website in the central accounting system, and the state payroll system. After implementation of the initial website, the public finance transparency board shall report to the secretary of administration on incorporating additional information described by this act from any other source of information available to the secretary of administration including information submitted by state agencies pursuant to subsection (d) of this section.

(d) Any state agency shall provide, at the request of the secretary of administration, such information as is necessary to accomplish the purposes of this act.

(e) Nothing in this act shall permit or require the disclosure of information which is considered confidential by state or federal law.

Sec. 3. (a) There is hereby established the public finance transparency board for the purpose of advising and consulting with the secretary of administration on the content, format and reports to be produced on the website established in section 2, and amendments thereto.

(b) The board shall consist of 11 members as follows:

(1) The secretary of administration, who shall serve as chairperson of the board;

(2) the director of accounts and reports;

(3) two members who are chief executive officers of agencies of the executive branch, appointed by the governor, who shall serve at the pleasure of the governor;

(4) one member appointed by the governor from the general public;

(5) four members of the legislature, one appointed by the president of the senate, one appointed by the minority leader of the senate, one appointed by the speaker of the house, and one appointed by the minority leader of the house, all of whom shall serve at the pleasure of the

appointing official;

(6) the legislative post auditor; and

(7) the state archivist.

(c) The board shall annually elect one member from the board as vice-chairperson and another as secretary.

(d) Six members of the board shall constitute a quorum and the affirmative vote of six members shall be necessary for any action taken by the board. No vacancy in the membership of the board shall impair the right of a quorum to exercise all the rights and perform all the duties of the board.

(e) In order to achieve its purpose as provided in this act, the board shall:

(1) Report to the secretary of administration, after implementation of the initial website, on incorporating additional information described by this act from any other source of information available to the secretary of administration including information submitted by state agencies pursuant to subsection (d) of section 2, and amendments thereto;

(2) serve in an advisory capacity to the secretary of administration, who shall from time to time consult with and seek the advice of the board on matters related to the further development of the website, expansion of the content of information for the website, and new reports to be generated on the website to assist the public in accessing public information;

(3) seek advice from the general public, professional associations, academic groups and institutions and individuals with knowledge of and interest in areas of public information access, gateway services, add-on services and electronic information; and

(4) meet at least twice during each fiscal year on the call of the secretary of administration

who shall set the agenda for such meetings, which shall include a report on the progress in implementing and developing the website, proposed enhancements to the website in terms of content, format, policies and procedures and reports, and other matters as deemed appropriate by the secretary of administration.

(f) All state agencies shall cooperate with the board in providing such assistance as may be requested for the achievement of its purpose.

Sec. 4. The secretary of administration shall implement the provisions of this act by policies and procedures.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.