

Approved: March 26, 2007

Date

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY AND TECHNOLOGY COMMITTEE

The meeting was called to order by Chairman Jim Morrison at 3:30 P.M. on March 22, 2007, in Room 526-S of the Capitol.

The following members were absent: Representatives Tafanelli, King, Siegfried, McLachlan, Wilk, Sloan, Loganbill, and Swenson, all of whom were excused.

Committee staff present:

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

Conferees appearing before the committee: None.

Others attending:

See attached list.

The Chair commended the sub-committee for its work.

Representative McLeland, Chair of the Sub-committee, responded by commending the Sub-committee members and the staff for their excellent work; he then reviewed the Sub-committee report, saying the Sub-committee's charge was to determine the frequency and content of reports that the Committee should receive from the Kansas Board of Regents and the community colleges in regard to sharing information technology resources (Attachment 1). He stated that the Sub-committee, meeting on three occasions, focused only on the institutions under the governing authority of the Regents, not the community colleges and other entities for whom the Board had only oversight responsibilities.

Representative McLeland stated that the Sub-committee recommends two projects to be considered by the Committee: a simple information-sharing procedure to provide the public with substantive information about committees and councils related to the Regents, and a pilot project exploring alternative purchasing processes for the universities.

Regarding the former, Representative McLeland said the Sub-committee examined present cooperation among the universities—the councils and committees that meet regularly, recommending that information on such events be collated with hot links to enable simple, quick access to deliberations, decisions, and minutes of the various groups. He noted that presently the Regents have no web developer to implement such a recommendation, that the Regents have regularly requested such a position, and that the Senate but not the House included a new Regents FTE (full-time equivalent) in the FY 2008 appropriations bill.

Regarding the second recommendation, in order to advance cross-institution cooperation, Representative McLeland said the Sub-committee, working with Brad Williams, Chief Information Officer for the Board of Regents, agreed to monitor a pilot project between the University of Kansas and Fort Hays State

CONTINUATION SHEET

MINUTES OF THE House Government Efficiency and Technology Committee at 3:30 P.M. on March 22, 2007, in Room 526-S of the Capitol.

University for alternative purchasing procedures, a project beginning on June 1, 2007, and continuing to June 30, 2010.

Answering questions, Representative McLeland said an interim committee would be an appropriate way for the Committee to monitor the pilot project. He replied that an intact Government Efficiency and Technology Committee would function better in dealing with Regents issues than creating a joint committee.

The Chair concurred in recommending that the Committee remain intact for any interim work, noting that the Regents and other agencies could work with the Committee to develop mechanisms for efficiency that could be shared with the 2008 session of the legislature. He suggested that members convey to him any other ideas for interim study. He noted that considering **HB 2175** (school districts; centrally-maintained accounting and reporting systems), recently referred to the Committee, will require more time than is available during the current session.

Representative McLeland noted that, after hearing the feasibility study by Calence regarding KAN-Ed, further consideration by the Committee would be appropriate, further commenting that Brad Williams had recently been appointed as Executive Director of KAN-Ed, a position he will hold concurrently with his position as Chief Information Officer of the Regents.

A motion was made, seconded, and passed to adopt the Sub-committee report. (Motion, Representative McLeland; second, Representative Frownfelter)

The Chair announced that the minutes for March 12 and March 13 would be approved as distributed if no corrections were provided by 5:00 p.m. Friday, March 23, 2007.

The meeting was adjourned at 4:00 p.m. No further meetings were scheduled.

**Subcommittee of the Government Efficiency and Technology on Regents
Information Technology Project
Report to the Full Committee**

Members

Representative Joe McLeland, Chairperson
Representative Jeff King
Representative Judith Loganbill
Representative Terry McLachlan
Representative Dale Swenson

Subcommittee Charge: Determine the frequency and content of reports that the Committee should receive from the Regents and the Community Colleges in regard to sharing information technology resources.

Subcommittee Activities

The Subcommittee met on February 13, March 6 and March 19 to identify a constructive procedure by which to obtain information to assist the full Committee with its goals.

Recommendation

The Subcommittee recommends two projects: an information sharing effort that will provide the public with substantive information about various committees and councils that assist the Board of Regents, and a pilot project aimed at exploring alternative purchasing processes that might be used by the universities.

Information Sharing. The Subcommittee identified an effort that might assist the Committee by providing information about cooperation and coordination among the Regents' universities. That action includes:

Web publication of the minutes of Board Councils and Committees, including:

- Council of University Presidents (COPS);
- Council of University Faculty Senate Presidents;
- Council of University Business Officers (COBO);
- Council of Chief Academic Officers (COCAO);
- Regents Information Technology Council (RITC);
- Students' Advisory Committee;

*Attachment 1
GET 3-22-07*

- Sytem Council of Presidents (SCOP); and
- System Council of Chief Academic Officers (SCOCAO).

In order to facilitate this recommendation, the Subcommittee recommends that the full Government Efficiency and Technology Committee recommend to the Appropriations Committee the addition of 1.0 FTE and \$30,875 for an infrastructure support person for the Board of Regents' Office. (**Note:** The Board of Regents requested, and the Governor recommended, addition of the position and the amount noted above for FY 2008. The recommendation was not included in the appropriation bill passed by the House. The Senate Ways and Means Committee has concurred with the Governor's recommendation.)

Pilot Study. The Subcommittee also recommends a longer term activity with the goals of:

- Instituting lines of communication between the Committee and the postsecondary education institutions, and
- Identifying a project that will result in cross-institution cooperation and achievement of measurable improvements in efficiency for at least one business process.

In order to develop this part of its recommendation, the Subcommittee met at its March 19 session with Brad Williams, Chief Information Officer of the Board of Regents. During that meeting, the Subcommittee discussed with Mr. Williams a number of potential projects that might fulfill the goals listed above. As a result of the conversation, the Subcommittee recommends that the full Committee use the pilot project involving the University of Kansas and Fort Hays State University using alternative purchasing procedures as an initial Committee effort. The pilot project will begin on June 1, 2007 and continue to June 30, 2010. This project meets the Subcommittee's objective of involving two or more institutions in a project:

- In which information sharing, technology sharing, or both, may result in measurable efficiency improvements, and
- In which institutional collaboration will facilitate realization of the potential efficiencies.

Finally, in accordance with the statute enacted by the 2006 Legislature (KSA 76-769) and the proposal currently under consideration by the Board of Regents, the Committee will have an opportunity to review results of the pilot study at the start of each legislative session.

During its deliberations, the Subcommittee began what it anticipates will be an ongoing dialogue with the Board of Regents office and anticipates engaging the two universities in that discussion of the pilot project during implementation. The Subcommittee is confident that continuation of the dialogue with the Board office and with the universities will enable the Committee to utilize the project as a first constructive step toward improved efficiency and coordination among the postsecondary educational institutions.

The Subcommittee recommends to the full Committee the following general timeline for activities between now and the end of the 2008 Legislative Session associated with these recommendations.

- March 2007
 - Report to full Committee
 - Full Committee makes recommendation to House Appropriations Committee regarding web development support for Board of Regents' Office
- April-May 2007
 - Committee requests designation to meet during the interim
- June-August 2007
 - Full Committee receives briefing from Board Office, University of Kansas, and Fort Hays State University regarding implementation of the purchasing pilot program
 - Board of Regents begins improvement of website to include minutes and other information regarding Board committees and councils
- January 2008
 - Legislature receives the statutory annual report of the pilot project from the Board of Regents
 - Legislature receives statutory annual report of the pilot project from the Director of Purchases (Department of Administration)
- January-May 2008
 - Committee continues dialogue with Regents' Office, universities, and Division of Purchasing regarding efficiencies that might be achieved in state purchasing
 - Committee determines scope of additional review and activities

Background

The Subcommittee provides the following information as background for its recommendation regarding the pilot project. That information includes the 2006 enactment and the policy for the project adopted by the Board of Regents at its January 2007 meeting.

KSA 76-769 Pilot project, acquisition of goods and services for certain state educational institutions; duties and functions of state board of regents and director of purchases; guidelines, exemptions and limitations; reports to legislature.

(a) With regard to the acquisition of supplies, materials, equipment, goods, property, articles, products or services, a pilot project shall be conducted by the state board of regents in accordance with the provisions of this section. The state board of regents shall select not more than two of the state educational institutions, as defined by KSA 76-711, and amendments thereto, to be the pilot universities in accordance with this section. The state board of regents shall select one of the following state educational institutions to be a pilot university: Emporia state university, Fort Hays state university or Pittsburg state university. The state board of regents may select one of the following state educational institutions to be a pilot university: Kansas state university, Wichita state university or the university of Kansas. If the state board of regents does not select Kansas state university, Wichita state university or the university of Kansas to be a pilot university, then the state board of regents shall select a second one of the following state educational institutions to be a pilot university: Emporia state university, Fort Hays state university or Pittsburg state university. During the period from June 1, 2007, through June 30, 2010:

(1) The acquisition of any supplies, materials, equipment, goods, property or services for the pilot universities shall be in accordance with policies adopted by the state board of regents and no

such acquisition during such period shall be subject to any statewide purchasing contract or other contract that is entered into under the provisions of K.S.A. 75-3737a through 75-3744 and amendments thereto or any rules and regulations or policies adopted thereunder and that requires any state agency to make any such acquisition under any such contract, but nothing herein shall be construed as limiting the pilot universities from using contracts established by the director of purchases;

(2) the acquisition of any travel services for the pilot universities shall be in accordance with policies adopted by the state board of regents and no such acquisition during such period shall be subject to any statewide travel services contract or other travel services contract that is entered into under the provisions of K.S.A. 75-3737a through 75-3744 and amendments thereto or any rules and regulations or policies adopted thereunder and that requires any state agency to acquire travel services under any such contract; and

(3) the acquisition of any articles or products produced by inmates in the custody of the secretary of corrections that may be required for the pilot universities shall be in accordance with policies adopted by the state board of regents and no such acquisition during such period shall be subject to the provisions of the prison-made goods act of Kansas requiring any such acquisition to be made from the secretary of corrections as provided in K.S.A. 75-5273 through 75-5282 and amendments thereto, or any rules and regulations or policies adopted thereunder.

(b) The state board of regents shall submit a report to the legislature at the beginning of the regular session in 2007, 2008, 2009 and 2010 regarding the activities of the pilot universities under the provisions of subsection (a). Each such report shall include any new or amended policies adopted by the state board of regents for implementation of such activities, the amounts and kinds of expenditures by the pilot universities for activities under each paragraph of subsection (a), and shall include information regarding any savings experienced and any issues or problems encountered for all such acquisitions for the pilot universities under the provisions of subsection (a).

(c) The director of purchases shall submit a report to the legislature at the beginning of the regular session in 2007, 2008, 2009 and 2010 regarding the impact of the pilot project conducted pursuant to subsection (a) on the purchasing system of the department of administration and on the purchases and purchasing activities of state agencies other than pilot universities, including information regarding amounts and kinds of expenditures by such other state agencies and regarding other issues or problems encountered as a result of the pilot project.

BOARD OF REGENTS POLICY FOR PILOT PROJECT ON PURCHASING

a. Participating State Universities

The University of Kansas and Fort Hays State University are hereby designated as universities participating in the pilot project on purchases authorized by 2006 Sess. Law Ch. 190.

b. Guiding Principles

(1) Each state university participating in the pilot project authorized by 2006 Sess. Law Ch. 190 shall be guided by procurement policies and procedures that:

- o Focus on the stewardship of public funds;
- o Advance and support the mission of the institution;
- o Promote a competitive and fair procurement environment;

- o Are open and transparent, including adherence to the Kansas Open Records Act.

(2) State universities participating in the pilot project are encouraged to engage in cooperative purchasing opportunities with other universities or other entities to achieve the lowest competitive price, including purchasing from current State central purchasing contracts, state travel services, and products pursuant to the Prison Made Goods Act, if it is in the best interest of the state university.

c. Requirements for Policies and Procedures

The policies and procedures developed by the state university participating in the pilot project shall address, at a minimum:

- (1) How the system of administration will advance and support the mission of the state university and provide increased levels of service to university students, faculty and staff as they work collectively to advance the university interest.
- (2) How the state university intends to promote a competitive procurement environment including a statement regarding what competitive bid limit thresholds will be utilized. Kansas Board of Regents January 17-18, 2007
- (3) How notice of procurement opportunities will be provided to vendors and to the public in general.
- (4) The criteria to be utilized as contracts and purchase orders are awarded.
- (5) What process will be utilized to resolve vendor protests or requests for information, if any, that are submitted by vendors or the public in general.
- (6) How the state university intends to cooperate with the State and state universities as procurement decisions are made.
- (7) How the state university intends to track and report cost savings, process efficiencies or issues identified as a result of this pilot project.
- (8) How each state university intends to involve the university's internal audit function in the review of purchasing activities.
- (9) What steps are taken to ensure that all university procurement officials are guided by a purchasing code of ethics, such as the National Association of Educational Procurement Code of Ethics.

d. Requirements for Reporting

Each state university participating in the pilot project shall submit a report on an annual basis to the Board of Regents Office in October for approval by the Board in December that identifies:

- (1) The amounts and kinds of expenditures made by the state universities.
- (2) What savings were achieved or costs incurred and any issues or problems that were encountered as acquisitions were made by the state universities.
- (3) An overall evaluation of the efficacy of the pilot project on purchasing.