Approved: February 10, 2009
Date

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY AND FISCAL OVERSIGHT COMMITTEE

The meeting was called to order by Vice-Chairman Mike Burgess at 3:30 p.m. on February 9, 2009, in Room 535-N of the Capitol.

All members were present except:
Representative Sean Gatewood- excused
Representative Broderick Henderson- excused
Representative Brenda Landwehr- excused
Representative Melody McCray-Miller- excused
Representative Jim Morrison- excused
Representative Louis Ruiz- excused
Representative Tom Sloan- excused
Representative Sheryl Spalding- excused

Committee staff present:
Daniel Yoza, Office of the Revisor of Statutes
Hank Avila, Kansas Legislative Research Department
Mary Galligan, Kansas Legislative Research Department
Gary Deeter, Committee Assistant

Conferees appearing before the committee:
Peggy Hanna, Project Manager, State-wide Financial Management System

Others attending:
See attached list.

During the temporary absence of the Vice-Chair, Ranking Member Ed Trimmer welcomed Peggy Hanna, Project Manager for the Statewide Financial Management System (FMS); Ms. Hanna introduced Annette Witt, Finance Team Manager for the FMS. Ms. Hanna noted that an attempt was made in 2005 to centralize the data for all state assets; however, varied processes and disparate systems made it impossible to collate data in a useful way (Attachment 1). She reported that when the FMS was being designed, asset management software was added to the design specifications in order to identify all state assets and collect the data in a centralized repository. The new system (SMART, for Statewide Management Accounting and Reporting Tool) will complement SHaRP, the Statewide Human Resources and Reporting and Payroll system. Ms. Hanna said that FMS will have a full range of modules and a single, centralized repository for physical and financial data for all state assets: properties, land, equipment, machinery, etc. She provided an example of a record: a building on a piece of land which gives both an asset identification number and a site identification number; she commented that the system enables asset control, location management, and creates a data warehouse for custom reporting capabilities. She noted that the system will go live July 2010.

A member expressed surprise that the state has no central database for its assets. Answering questions, Ms. Hanna said data clean-up will be a major part of the system, but the system will not be able to identify lost

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tracts of land the state might own. Martin Eckhardt, Director, Division of Accounts and Reports, replied to a question that the system will list the cost of land, buildings, improvements, and depreciation costs, but it will not show current market value.

The meeting was adjourned at 4:23 p.m. The next meeting is scheduled for February 10, 2009.

HOUSE GOVERNMENT EFFICIENCY AND FISCAL OVERSIGHT COMMITTEE

GUEST LIST

DATE: FEBRUARY 9, 2009

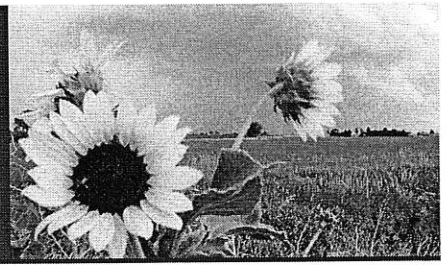
NAME	REPRESENTING
Annette Witt	D/A FMS finance
Gavin Young	Deputy Secretary D/A
Denise Moore	Director, DISC D/A
Martin Eickhardt	Accounts and Reports D/A

Attachment 1
GEFO 2-9-09

Government Efficiency and Fiscal Oversight Committee Presentation

February 9, 2009

Today's Topics



1-2

- Current Asset System (As-Is)
- Example of Buildings & "related" improvements – Current methodology
- Sunflower Financial Management System (SMART) Implementation Project
- Example of how SMART would resolve this issue (To-be)
- Wrap-Up

Current Asset System

I-3

- STARS implemented in 1990
- No centralized asset management repository that can be accessed and updated by agencies – only DOA
- Disparate systems maintained by individual agencies
- Processes vary from agency to agency
- DOA uses for annual comprehensive financial reporting purposes at a summary level

Current Asset Tracking Example

1-4

- This example shows extracted data from one agency from the 2005 Building and Improvements data file. The first two items are buildings, while the next four are infrastructure items that arguably could be part of Land Inventory. If in fact they are building related, the costs are not associated with any particular building. (Also these particular items have no link to a particular Land Record.)

Property Number	ACQMO	ACQYR	Cost	Desc
50079	5	1994	4,400,414.63	Program Building
50070	8	1990	8,912,044.80	Administration Building
50312			148,926.08	Infrastructure - Lighting
50314			97,067.39	Infrastructure- Electrical
50316			2,311,960.81	Infrastructure - Roads
50318			86,701.52	Infrastructure - Sprinkler System

Sunflower FMS Project

1-5

- Kick off in October 2008 with a "Go-Live" date of July 2010
- New System name: SMART (Statewide Management Accounting and Reporting Tool)
- Full complement of integrated modules being implemented Purchasing, Accounts Payable, Project Costing, Asset Management, Accounts Receivable/Billing and General Ledger
- All agencies will either be interfacing with the SMART or be on-line users of the system

SMART Asset Management System Capabilities

1-6

- Single, centralized repository of physical and financial data for all State Assets: Properties, Land, Equipment, Machinery, etc.
- Real-time asset visibility, tracking and control for reporting and reconciliation of operational, financial, and maintenance data.
- Complete integration with other SMART modules including Purchasing, Accounts Payable, Project Costing, Accounts Receivable/Billing and General Ledger.

SMART Asset Management System Capabilities

1-7

- In the example below, it would be necessary to include the Site ID number when creating a building asset, with the Site ID generated when Land was previously entered into the system as an asset. As a result, this would eliminate blanks or zero values in the corresponding Land Number field and resolve the disconnect when matching building and land records. Also, improvements to building will be connected to the building/land
- For this presentation, we have assumed that the infrastructure improvements are associated with the first building, yet occurred at a later date

SMART Asset Management System Capabilities

1-8

SMART System Approach Example

Asset ID	Site ID	Property Class	Location	Address	City	County	Acquisition Date	Amount	Description
50070	1465	Building	ANY9348	1236 Any Street	Anytown	AnyCounty	8/15/1990	8,912,044.80	Administration Building
50079	325	Building	ANY9347	1234 Any Street	Anytown	AnyCounty	5/1/1994	4,400,414.63	Program Building
50312	325	Infrastructure	ANY9347	1234 Any Street	Anytown	AnyCounty	8/1/1997	148,926.09	Lighting
50314	325	Infrastructure	ANY9347	123 Any Street	Anytown	AnyCounty	8/1/997	97,067.00	Electrical
50316	325	Infrastructure	ANY9347	1234 Any Street	Anytown	AnyCounty	10/1/1997	2,311,960.81	Road
50318	325	Infrastructure	ANY9347	1234 Any Street	Anytown	AnyCounty	10/1/1997	86,701.52	Sprinkler System

SMART Asset Management System Capabilities

- Asset Control: Promotes consistent asset data structure by creating Parent/Child relationships and requiring property record associations.
- Location Management: Analyze and manage comprehensive locations and physical attributes for State Assets.
- Data Warehouse provides custom reporting and query capabilities of physical and financial asset information for State Assets

Additional Questions

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Please visit our Sunflower Project website:
http://www.da.ks.gov/ar/fms/