

Approved: 5-7-10  
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:17 a.m. on March 15, 2010, in Room 346-S of the Capitol.

All members were present.

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes  
Nobuko Folmsbee, Office of the Revisor of Statutes  
J.G. Scott, Kansas Legislative Research Department  
Heather O'Hara, Kansas Legislative Research Department  
Jonathan Tang, Kansas Legislative Research Department  
Stephen Huggins, Chief of Staff, Appropriations Committee  
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 SB 446 - Summary, Office of the Revisor of Statutes
- Attachment 2 SB 446 - Testimony, Division of Accounts and Reports, Department of Administration

Chairman Yoder welcomed committee members and reviewed the agenda.

Representative Yoder made a motion to introduce legislation regarding a school equity fund. The motion was seconded by Representative Whitham. Motion carried.

**SB 446 - Repealing K.S.A. 75-3744 requiring the director of purchases to sign every state contract**

Jim Wilson, First Assistant Revisor, Office of the Revisor of Statutes, presented an overview of **SB 446**, (Attachment 1). He stated that this bill would repeal existing law regarding signature requirements in State contracts. Contracts will not be valid or effective with the approval and signature of the director of purchases and the director of accounts and reports.

Peggy Hanna, Deputy Secretary, Sunflower Project, Department of Administration, provided testimony in support of **SB 446**, (Attachment 2). She reviewed the Statewide Management, Accounting and Reporting Tool (SMART). This electronic process has built in safeguards to ensure appropriate approvals for purchases and contracting, as well as certification that funds are available to cover the purchase order.

Chairman Yoder reviewed the committee's work on **SB 414**.

Representative Whitham made a motion to approve SB 414. The motion was seconded by Representative DeGraaf.

Discussion followed by a committee member in support of this bill.

Representative Whitham renewed the motion. Motion carried.

Chairman Yoder reviewed the agenda for the remainder of the week.

The next meeting is scheduled for March 16, 2010.

The meeting was adjourned at 9:35 a.m.

  
Kevin Yoder, Chairman

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3-15-10

NAME	REPRESENTING
Peggy Hanna	Dept of Administration
Jackson Lindsey	Herin Law
Rob MENTY	KENNEDY & Assoc
Juni Rose	KCSL
Mark Boran yak	CAPITOL STRATEGIES
RS Wilson	KOSF
Telisa Haggerty	DRC

**75-3744. Execution and approval of contracts.** Except as otherwise provided in this act and rules and regulations adopted thereunder:

(1) Every contract subject to the approval of the attorney general shall be signed by the administrative head of the affected state agency. No such contract shall be valid or effective without the approval and signature of the director of purchases and the countersignature of the director of accounts and reports.

(2) All other purchase orders and contracts issued or entered into by the division of purchases shall be signed by the director of purchases. Such purchase orders or contracts shall show on their face that an appropriation fund or allotment has been encumbered for the full amount of the liability.

**History:** L. 1953, ch. 375, § 44; L. 1972, ch. 332, §81; L. 1973, ch. 356, § 1; July 1.

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Attachment 1

House Appropriations Committee  
March 15, 2010  
Testimony for SB 446

Peggy Hanna, Deputy Project Director

We are requesting the repeal of K.S.A. 75-3744, a statute concerning the execution and approval of contracts. This statute, enacted in 1953 and amended several times over the years, has little relevance to the way in which the State currently conducts business or the manner in which it will do so in the future. The repeal of K.S.A. 75-3744 also requires amendment of several statutes that cite the repealed statute.

Regarding Section (1), we found no contracts that are statutorily mandated to be approved by the attorney general except where covered by other statutory citations.

The first sentence of Section (2) refers only to contracts entered into by the Division of Purchases and does not reflect the manner in which the state will be doing business after the implementation of the new statewide financial management system – called Statewide Management, Accounting and Reporting Tool (SMART) – on July 1<sup>st</sup> of this year. SMART uses electronic processes such as approval workflow as well as “stamping” electronic signatures on purchasing “documents” thus making it possible to create a requisition, process a purchase order, receive goods and pay an invoice without ever printing a single document.

The second sentence in Section (2) requires that purchase orders or contracts show on their face that an appropriation fund or allotment has been encumbered for the full amount of the liability. Before the implementation of SMART, this information was needed on the paper document so it could be recorded in other tracking systems. So while it is not necessary to include the accounting information on the purchase orders or contract, we do think it is important to communicate with our vendors that we have sufficient funds to cover the purchase. We are including the following verbiage on each purchase order generated by the system:

“I certify funds are currently available to cover this Purchase Order. By acceptance of this Purchase Order, you agree to abide by the provisions of the State of Kansas Contractual Provisions Attachment DA-146a (<http://www.da.ks.gov/purch/DA-146a.doc>), which is incorporated herein.”

We have built into the software sufficient safeguards to ensure we have appropriate approvals for purchases and contracting.

DIVISION OF ACCOUNTS & REPORTS

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Appropriations Committee  
Date 3-15-10  
Attachment 2