

Approved: January 27, 2010
Date

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY AND FISCAL OVERSIGHT
COMMITTEE

The meeting was called to order by Chairman Jim Morrison at 3:30 p.m. on January 19, 2010, in Room 546-S of the Capitol.

All members were present except:
Representative Ed Trimmer- excused

Committee staff present:
Julian Efird, Kansas Legislative Research Department
Rena Jefferies, Office of the Revisor of Statutes
Gordon Self, Office of the Revisor of Statutes
Gary Deeter, Committee Assistant

Conferees appearing before the Committee:
Robert Vancrum, CISCO

Others attending:
See attached list.

The Chair welcomed a new Committee member, Representative Craft, and two new staff, Julian Efird and Gordon Self. He also asked members to send their preferred e-mail addresses to the committee secretary.

The Chair invited members to suggest areas for effecting efficiencies in state government. The following areas were mentioned by members:

- The Chair noted that the Alcoholic Beverage Control had staff positions removed, resulting in delay in renewing of liquor store licenses, causing an estimated \$1500-per-day loss in sales and thus reducing the state's tax revenues.
- The Chair suggested the Committee revisit the Whistle-blower Act (**HB 2249**), which was re-referred to the Committee.
- The Chair observed that some right-of-way areas for interchanges and bridge access routes have inactive areas of land that might be sold.
- Representative McCray-Miller recommended hearing testimony from Roger Werholtz (Secretary, Kansas Department of Corrections) regarding a risk-assessment pilot program in Johnson County that has been effective in reducing incarcerations and lowering the recidivism rate. She also suggested hearing from Commissioner Russ Jennings (Kansas Juvenile Justice Authority) on the same issue.
- Representative Spalding noted that a bill was being drafted to enable school districts to invest bond funds directly rather than being required to go through a broker or bank, a process that will save districts significant amounts of money.
- Representative Craft stated that two constituents had recommended the state reduce its right-of-way mowing to save money. Members discussed facets of mowing policies, such as baling and selling hay

CONTINUATION SHEET

Minutes of the House Government Efficiency and Fiscal Oversight Committee at 3:30 p.m. on January 19, 2010, in Room 546-S of the Capitol.

- from the right-of-way and out-sourcing all mowing to reduce equipment inventory.
- Representative Spalding suggested creating a central inventory of all state property in order to evaluate what properties might be sold and put on the tax rolls.
- Representative Burgess, noting that Michigan had consolidated its data centers from 28 to 3, saving the state \$10 million per year, recommended inviting Chief Information Technology Officer Don Heiman to discuss the issue.
- The Chair, questioning whether the state needs its own telephone service, suggested investigating whether DISC (Division of Information Systems and Communications) could be replaced by AT&T. Another member suggested polling state agencies to ascertain how each agency utilizes DISC.

A motion was made by Representative Spalding, seconded by Representative McCray-Miller, to request introduction of a committee bill dealing with bonded warrants. The motion passed unanimously.

The Chair invited audience members to suggest initiatives creating government efficiencies. Robert Vancrum, an attorney from Overland Park, noting that Missouri had gained significant savings from connected communications and connected real estate, recommended inviting David Mosby, presently a consultant for Talisen Technologies and the former director of facilities management for Missouri, to give testimony regarding Missouri's \$20-million savings through centralized technology (Attachments 1 and 2). The Committee agreed to pursue Mr. Vancrum's suggestions further.

The meeting was adjourned at 4:09 p.m. No further meeting was scheduled.

HOUSE GOVERNMENT EFFICIENCY AND FISCAL OVERSIGHT COMMITTEE

GUEST LIST

DATE: JANUARY 19 2010

NAME	REPRESENTING
Duy Pham	Rep. Louis' intern
Jackson Lindsey	Hein Law
Jan Bruning	OP Chamber of Commerce
Jill Apin	Budget
Bob Vance	BUSD

Testimony
Of
David Mosby

Mr. Chairman, Members of the Committee, my name is David Mosby, I am a Senior Consultant for Talisen Technologies a Facilities Information Management firm in St Louis Missouri. Between Jan 2005 and December 2007 I was appointed by the Governor to serve as Director of the Division of Facilities Management; Design and Construction. I was responsible for all aspects of the state of Missouri's 34 million square feet Real Estate portfolio.

The Problem:

Between 2000 and 2005 the State of Missouri experienced a rapid increase in the cost of energy, escalating real estate costs and an ever increasing deferred maintenance backlog. Effectively, the real estate portfolio was out of control. Early in 2005 we began an aggressive enterprise wide program to place the portfolio under control. Focusing on the integration of data, visual analysis, and collaboration of staff, not only did we regain control of the portfolio costs but generated significant savings.

The Solution:

The Missouri solution (Enterprise Sustainability Platform) is a visionary approach to managing a portfolio of facilities from a global and total cost of ownership perspective. The key to the platform is providing executives, managers, and workers the right information on a real time basis to make correct decisions. This solution has allowed the State of Missouri to make significant savings; over \$20 million annually in the areas of real estate, facility operations, construction and energy expenditures. Information flows from various applications connected through secure communications to a global access portal. Based on "role", individuals access information on their particular site, facility or function (i.e. energy) and are able to drill down into detailed information. <

Data that can be leveraged through the portal is almost limitless and can be tailored to the particular need. The State of Missouri's portal provides access to detailed information in the broad categories of space, utilities, operations and maintenance, energy and capitol planning. This information is displayed in various "cockpits" that are designed to provide the user a powerful view of the data through graphical interface.

Attachment 1
GEFO 1-19-10

The ESP is considered low cost when compared other offerings in the industry. Unlike many traditional Energy Savings Contract programs, which are offering 7 to 15 year returns on investment and focus on retrofits, Talisen's ESP, the return on investment was less than two years with the focuses on leveraging new technologies and changing the operational paradigm.

The Results:

Budget reductions resulting from savings:

	Annual	One Time
Real Estate	\$ 14.3 M	\$ 20.9 M
Operations	\$ 3.3 M	
Utility	\$ 3.0 M	

Cost avoidances resulting from savings:

	Annual	One Time
Operations	\$ 0.8 M	
Utility	\$ 3.0 M	
TOTAL	\$ 34.4 M	\$ 20.9 M

State of Missouri Reduces Energy Consumption with Cisco Connected Real Estate Solution

With almost 28 million square feet of office space in 3800 different buildings, the state of Missouri could save great amounts of money with even the smallest increase in energy efficiency. "Reducing total cost of ownership (TCO) for our facilities by just 10 percent would create annual savings of \$30 million," says Trent Blair, director of facilities management, design, and construction for the State of Missouri. This money could be redirected to other projects benefiting the state's residents.

The state's challenge was how to determine which equipment upgrades—boilers, chillers, lighting, and the like—would produce the biggest savings. Like many far-flung business enterprises, the state didn't have a centralized view of total expenses for building equipment. Instead, each facility had a proprietary building management system that could not communicate with the others to reveal trends or comparative information. "For proper stewardship, we needed to be in the information management business—not just the asset management business," Blair says.

Solution: Cisco Connected Real Estate

Today, the State of Missouri Facilities Management organization can centrally monitor energy consumption and costs for all buildings, helping it to identify which equipment to upgrade—and when—for the biggest long-term savings. The Cisco® Connected Real Estate solution provided the state with a number of capabilities, including:

- **Information gathering:** Every 15 minutes, the system uses the state's existing Cisco network to retrieve information from 250,000 building sensors that report on room temperatures, utility meter readings, whether elevators are turned on, and more. The information is stored centrally for viewing and analysis.
- **Reporting:** All building information is presented in easy-to-read charts on a web dashboard. Building managers and others can view energy consumption for different assets, money saved, energy saved, budget bar charts, and so on—for an individual building or all buildings.
- **Automatic alerting:** The system automatically sends an email when something unexpected occurs, such as when an air handler begins operating 24 hours a day. "We save money if we find out about that right away instead of two or three months later when we analyze the bills," says Blair.

Better Stewardship Through Better Information

Centrally collecting and reporting on energy-consumption information for all buildings helps the Facilities Management organization decide which actions will reduce consumption and save money. "For example, we now have the information to know that if we invest a little more money for an energy-efficient chiller, we'll save \$1 million over its 15-year life," says Blair.

One success story is the Truman Building in Jefferson City. The State of Missouri collected baseline data in the 12 months beginning in July 2005 and compared it to data collected in the 12 months beginning in May 2007. Savings for the state include:

- 17.5 percent reduction in total energy used
- 25.4 percent reduction in weather-independent daily load
- 9 percent reduction in electric demand

- 4.5 percent reduction in cost of energy
- 13.6 reduction in cost per square foot
- \$118,440 annual cost avoidance—for just one of the state's 3800 buildings.

Blair attributes the savings to a combination of the Cisco Connected Real Estate solution and other projects. "The Cisco Connected Real Estate approach allows us to measure, verify, and document results with ease and in near real time," he says. "It gives us the information to invest resources in the right place at the right time to reduce TCO. And savings will only increase with time."

To read about Cisco Connected Real Estate solutions, visit: <http://www.cisco.com/web/strategy/trec/index.html>



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