

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Thursday, March 10, 2016, 112-N of the Capitol.

All members were present except:

Representative John Barker – Excused
Representative Gene Suellentrop – Excused
Representative Kathy Wolfe Moore – Excused
Representative Mark Kahrs – Excused

Committee staff present:

Kathy Holscher, Kansas Legislative Committee Assistant
David Fye, Legislative Research Department
Jennifer Ouellette, Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

No list available

Opening Remarks

Vice Chair Schwartz called the meeting to order and reviewed the meeting agenda.

Student shadows were introduced by the following committee members: Representative Hoffman introduced Melissa Alvarez, Fairfield High School; and Representative Carpenter introduced Tessa Lofton, Fairfield High School.

Bill introductions

Representative Henry made a motion to introduce legislation regarding State Employee Health Care Commission. Representative Finney seconded the motion. Motion carried.

Chairman Ryckman made a motion to introduce legislation regarding the budget process. Representative Lunn seconded the motion. Motion carried.

Discussion on:

J.G. Scott, Legislative Research Department, reviewed data compiled by the National Association of State Budget Officers, which reflects the budget approach utilized by other states ([Attachment 1](#)) . He

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stated that a portion of the Alvarez and Marsal recommendations for changes to the budget review process included the following: review what other states are doing; identify programs and services and statutory requirements; identify agency priorities and duplication.

Dylan Dear, Legislative Research Department, reviewed the Kansas Budget Process ([Attachment 2](#)). The program service inventory identifies agency program functions and purpose, statutory justification, mandatory as opposed to discretionary programs distinction, history and reflects program priority levels. Priority based budgeting ranks programs, reflects core mission goals, and helps determine program interaction with other agency programs and objectives. Performance based budgeting utilizes performance measures that records the work load level of an agency. Recommendations on developing performance measures were reviewed, as was published in the Urban Institute guide. The goal of an integrated budget process aligns the budget process from budget development, expenditures and through budget review. A review of multiple systems for tracking data, expenditures, revenue, and implementation phases of a performance based and priority based budgeting followed. A sample document for the Animal Health Program and Budget was reviewed.

J.G. Scott and Dylan Dear responded to questions from committee members. Discussion followed regarding privatization, consolidation of services and cost sharing mechanisms for agencies. It was noted that the program inventory would identify statutory program requirements. The program inventory would need to be developed in order to evaluate programs and identify program objectives. Legislative action would be required for any changes impacting privatization or consolidation of programs, it was noted. The recommendation was made to include mission statements for all state agencies, a column on the sample document that identifies federal or local solutions provided for duplication of services, a list of priorities under each subprogram name, and include a code system that identifies statutory requirements and maintenance of effort requirements.

J.G. Scott, Legislative Research Department, reviewed the time line for implementing Performance Based Budgeting (See Attachment 2). From April 1 through October 1, 2016 the agency's program inventory is developed and expenditures and priorities are identified, the Division of Budget aligns the new program structure with the budget and accounting system for the remainder of the fiscal year. Agency performance measures for each program would be identified for FY 2017. The Governor's Budget Report would reflect program information which is submitted on January 9, 2017. In FY 2018, the Department of Administration implements a new program structure for the accounting system beginning July 1 and the agency submit their budgets by October 2nd, which reflects both program budgeting and performance measures. The Governor's Budget is submitted on January 14, 2019 and includes program budget and performance measures for the 2019 Legislative Session. He stated that several components of the performance based budgeting are already in place. However, as of late, more emphasis has been place on funding as opposed to the budget information, it was noted.

J.G. Scott reviewed information on How Using Performance Information Can Help You, which was included in a document prepared by the National Conference of State Legislatures ([Attachment 3](#)). A review of the guidelines for legislating for results followed.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Discussion followed by committee members. It was noted that the legislature and the Division of Budget would be involved in the development of a template used for priority and performance based budgeting. As requested, an organizational chart, by agency, will be forthcoming and will identify all positions, classification, salaries and vacant positions. It was suggested that the legislature should be included in this process. The main goal of this process is to provide information that clearly defines goals, mission and objectives, and identify measurable outcomes in order to make informed decisions, as well as reward agency service areas, J.G. Scott stated. The request was made to include performance information that could not be done, due to factors that could not be measured.

Closing Remarks

Chairman Ryckman stated that tentative dates have been set for the committee to work on the Omnibus Bill, and he asked members to hold open April 21 and April 22, 2016. As there may be additional meetings scheduled in April, he asked members to let staff know of the dates they would not be available in April. He reviewed the agenda for the next meeting.

Meeting adjourned at: 10:33 a.m.