

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Wednesday, April 27, 2016, 548-S of the Capitol.

All members were present except:

Senator Michael O'Donnell – Excused

Committee staff present:

Jill Wolters, Office of Revisor of Statutes
Scott Abbott, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Shirley Morrow, Legislative Research Department
Dezeree Hodish, Legislative Research Department
Dylan Dear, Legislative Research Department
Bobbi Mariani, Legislative Research Department
Mark Dapp, Legislative Research Department
Justin Carroll, Legislative Research Department
David Fye, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Sharon Wenger, Legislative Research Department
Mark Savoy, Legislative Research Department
Debbie Luper, Chief of staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Bill introductions

Senator Denning made a motion to introduce the Reconciliation Bill legislation. Senator Arpke seconded and the proposed legislation was introduced on a voice vote.

Senator Denning introduced Keeping Our Word Act, Senator Arpke seconded and the proposed legislation was introduced on a voice vote.

Hearing on: HB2739 — State agencies; performance based budgeting; program service inventory; integrated budget fiscal process.

Chairperson Masterson opened the hearing on **HB2739**.

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J.G. Scott, Assistant Director for Fiscal Affairs, Legislative Research Department presented the briefing for the bill. He said this bill establishes the framework to modify the current budget process laying out a three-step approach, and a timeline for completion on or before January 14, 2019. Mr. Scott advised that this was a recommendation in the Kansas Statewide Efficiency Study conducted by Alvarez and Marsal ([Attachment 1](#)).

Senator Kerschen asked who would do the last step which measures performance outcomes. He asked if there was a performance model for measuring outcomes.

Mr. Scott said there are several states that have performance based budgets and could be used as models, for instance, New Jersey, Louisiana, Texas and one of the Carolinas.

Senator Francisco inquired if the legislature is classified as an agency, and if this budget process would apply to the legislative budget. Mr. Scott replied that the legislature is considered an agency and this process applies to all agencies. He further stated the performance-based budget process is built around accomplishments.

Senator Powell requested information concerning the parameters of a zero-based budget. Mr. Scott informed the committee that zero based budgeting takes the budget apart and then builds it back from zero, piece by piece. He added that each part of the zero budget is built and funded individually.

Senator Tyson inquired if each agency was required to list their priorities and, after allocation of their budget funds, to report where it is spent. Mr. Scott said yes, that is the starting point, listing of priorities and impending consequences if a program is not funded. Senator Tyson inquired about the required steps to be taken, when the priorities don't match statutes. Mr. Scott replied that the legislature then has the opportunity to legislate any necessary changes.

Senator Fitzgerald inquired, who is the culpable party, if priorities or responsibilities are not being met. Mr. Scott replied, the responsibility for overseeing all aspects of the budget process would lie with the Department of Administration in conjunction with the Division of the Budget, Office of the Revisor of Statutes and the Kansas Legislative Research Department.

Senator Kelly requested the difference in the process of budgeting created in this bill, compared to our present budget procedures. Mr. Scott replied that he believes if and when performance-based budgeting is implemented, we will have a clearer definition of program goals and a measure for gauging performance. Senator Kelly stated she liked parts of the bill, but felt it should be phased in gradually.

Senator Tyson commented that agriculture is the leading industry in Kansas and suggested the legislature study and use the Department of Agriculture's zero based-budget they compiled this year as a model. Mr. Scott distributed information that compares and explains zero-based and performance-based budgeting processes. ([Attachment 2](#)).

Senator Masterson inquired if information was available indicating which budget processes are used by

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other states. Mr. Scott distributed a spreadsheet showing the primary and secondary budget processes of other states. ([Attachment 3](#)).

Proponents:

No proponents appeared before the committee.

Opponents:

No opponents appeared before the committee.

Neutral:

No neutral parties appeared before the committee.

Written proponent:

Dave Trabert, President, Kansas Policy Institute ([Attachment 4](#)).

After the question and answer period, the Chairperson closed the hearing on **HB2739**.

Final action on: HB2739 - State agencies; performance based budgeting; program service inventory; integrated budget fiscal process.

Chairperson Masterson reported that since this bill passed overwhelmingly in the House (124-1), and because of time constraints, he polled the committee for questions, comments or possible action on **HB2739**.

Senator Francisco made a motion to amend by adding a comma on Line 8 of the bill after the words, Kansas Legislative Research Department. Senator Arpke seconded the motion and the motion to amend was adopted on a voice vote.

*Senator Arpke made a motion to pass **HB2739** out of committee as amended. Senator Denning seconded the motion and the bill was passed as amended on a voice vote.*

Final action on: HB2662 — Claims against the state.

The Chairperson called attention to **HB2662**. He reported that this is the bill involving claims against the State. He said any disposition of these claims requires legislative action.

*Senator Denning made a motion to amend, by striking the claim against the State of \$17,000, that was added to **HB2662** on the House floor. The money was seized by the Highway Patrol 22 years ago, and turned over to the Drug Enforcement Administration. The parties involved in the seizure are suing the State of Kansas for reimbursement of their funds. Senator Kelly seconded the amendment motion and the motion was adopted on a voice vote.*

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Senator Denning made a motion to pass out favorably **HB2662** as amended. Senator Arpke seconded the motion and the bill passed out of committee as amended on a roll call vote.

Chairperson Masterson reported that Jill Wolters, First Assistant Revisor, Office of the Revisor, would provide the committee with an informational hearing on the details of the Reconciliation bill. Ms. Wolters advised the committee that this bill reconciles amendments to certain statutes that have been amended more than once during the prior legislative session. She said the purpose of the bill is to combine non-contradictory amendments from enacted legislation to produce one version of the statute and to repeal bills that have two versions of the same statute. Her report included Amendatory Sections for Statutes Amended More than Once, and Repealed Only Sections ([Attachment 5](#)).

No further Senate Ways and Means Committee meetings have been scheduled for the 2016 Legislative session.

The Chairperson adjourned the meeting at 4:34 p.m.