

SENATE BILL No. 396

By Committee on Judiciary

2-2

1 AN ACT enacting the Kansas zero-based budget law; relating to zero-
2 based budget review of state agencies.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. The provisions of sections 1 through 7, and amendments
6 thereto, shall be known and may be cited as the Kansas zero-based budget
7 law.

8 Sec. 2. There is hereby established the joint budget review committee
9 which shall consist of five senators and six members of the house of
10 representatives. The president of the senate, the speaker of the house,
11 minority leader of the senate and the minority leader of the house of
12 representatives shall appoint the members of the joint budget review
13 committee. The two major political parties shall have proportional
14 representation on the joint budget review committee. If proportional
15 representation results in a fraction, the party having a fraction exceeding
16 0.5 shall receive representation as though such fraction were a whole
17 number. A quorum of the committee shall be six. Except as otherwise
18 specifically provided by law, all actions of the committee may be taken by
19 a majority of those present when there is a quorum. After the adjournment
20 of each regular session of the legislature, the joint budget review
21 committee shall organize by electing a chairperson and a vice-chairperson
22 who are not members of the same house of the legislature. The vice-
23 chairperson shall exercise all of the powers of the chairperson in the
24 absence of the chairperson. The joint budget review committee may meet
25 at any time, and at any place in the state on the call of the chairperson. The
26 committee may introduce such legislation as it deems necessary in
27 performing its duties. Members of the joint budget review committee shall
28 receive compensation, travel expenses and subsistence expenses and
29 allowances as provided in K.S.A. 75-3212, and amendments thereto.

30 Sec. 3. (a) The Joint budget review committee shall conduct a zero-
31 based budget review process under which each state agency named in this
32 act shall submit a zero-based budget. The zero-based budget review shall
33 be conducted on a 10-year cycle commencing with the first zero-based
34 budget proposals submitted for the fiscal year ending June 30, 2018.

35 (b) The zero-based budget proposal created by each state agency
36 pursuant to this section shall contain information fulfilling all of the

1 following criteria:

- 2 (1) An assessment of the mission, vision, goals, priority objectives
3 and core functions of the agency;
- 4 (2) a description of each activity performed for which an
5 appropriation is requested;
- 6 (3) the legal basis for performing each activity for which an
7 appropriation is requested;
- 8 (4) the benefits and consequences of each agency activity for which
9 an appropriation is requested;
- 10 (5) a calculation of the cost of each agency activity and a justification
11 of each dollar spent;
- 12 (6) an itemized justification for the amount requested to perform each
13 agency activity for which appropriation is requested; and
- 14 (7) a prioritized list of each agency activity for which appropriation is
15 requested.

16 (c) As used in this act, "zero-based budget" means determining a
17 budget by starting with a base of zero dollars and adding dollar amounts
18 necessary to conduct specific activities and operations.

19 Sec. 4. The legislative post audit committee shall direct the division
20 of post audit to conduct a performance audit of each state agency and
21 office, which is subject to review under this act. In conducting any such
22 performance audit, the post auditor may include any areas of study related
23 to agencies or offices subject to abolition as requested by the joint budget
24 review committee. The audit shall be in accordance with article 11 of
25 chapter 46 of the Kansas Statutes Annotated, and amendments thereto. The
26 audit report on any agency or office being reviewed shall be completed by
27 July 1 of the fiscal year preceding the review of such agency or office.

28 Sec. 5. (a) During the review of a state agency or office under this
29 act, the joint budget review committee shall hold a public hearing on such
30 agency or office. The joint budget review committee shall receive
31 testimony from the public, the state agency or officer involved and other
32 appropriate state officers. The committee shall also consider any
33 performance audit created by the division of post audit under section 4,
34 and amendments thereto. In all such hearings, the state agency or officer
35 involved shall provide any suggestions which would increase the
36 efficiency or effectiveness of the administration or operation of the state
37 agency or office.

38 (b) In such public hearings, the committee shall take into
39 consideration the following factors, if applicable, in developing its
40 recommendations:

- 41 (1) Whether the absence of the state agency or office or of any
42 program, function or duty thereof would significantly harm or endanger
43 the public health, safety or welfare;

1 (2) whether there is a reasonable relationship between the exercise of
2 the police power of the state by the state agency or office and the
3 protection of the public health, safety or welfare;

4 (3) whether there is another less restrictive method of regulation
5 available which could adequately protect the public;

6 (4) whether regulation, administration of the program or performance
7 of the function or duty by the state agency or office has the effect of
8 directly or indirectly increasing the cost of any goods or services involved,
9 and, if so, to what degree;

10 (5) whether the increase in cost is more harmful to the public than the
11 harm which could result from the absence of regulation, administration of
12 the program or performance of the function or duty by the state agency or
13 office;

14 (6) whether all facets of the regulatory or administrative process are
15 designed solely for the purpose of the protection of public interests and
16 have such protection as a primary effect;

17 (7) whether the purposes of the state agency or office or of any
18 program, function or duty thereof can be accomplished in a more efficient,
19 effective or economical manner;

20 (8) whether the agency or office has a clear mission, goal or objective
21 or is designed to address a problem and the extent to which the mission,
22 goal or objective has been achieved or the problem has been addressed;

23 (9) whether the agency or office is engaging in any activity not
24 required by statute and the extent to which such activity is needed;

25 (10) whether the agency or office is properly using its authority
26 relating to fees, inspections, enforcement and penalties;

27 (11) whether the agency or office and the programs administered by
28 the agency or office overlap or duplicate those of other agencies or offices,
29 the extent to which the agency or office coordinates with those agencies or
30 offices, and the extent to which the programs administered by the agency
31 or office can be consolidated with the programs of other state agencies or
32 offices;

33 (12) whether the agency or office is affected by federal intervention
34 or loss of federal funds if the functions or duties of the agency or office are
35 changed; and

36 (13) whether the purpose and effectiveness of reporting requirements
37 imposed on the agency or office justifies the continuation of the reporting
38 requirement.

39 (c) On or before December 31 of the year of the budget review of a
40 state agency or office, the joint budget review committee shall develop a
41 recommendation regarding the budget of such state agency or office, and
42 shall introduce legislation to carry out any statutory changes necessary to
43 cause such agency or office to operate more efficiently or effectively.

1 Sec. 6. (a) The Kansas department of agriculture, Kansas department
2 of wildlife, parks and tourism, Kansas water office, state board of
3 veterinary examiners, state historical society, state library and state fair
4 board shall submit a zero-based budget proposal for the fiscal year ending
5 June 30, 2018, and shall be subject to zero-based budget review each 10
6 years thereafter.

7 (b) The Kansas department for aging and disability services, Kansas
8 department for children and families, Kansas commission on veterans'
9 affairs office, Kansas guardianship program, behavioral sciences
10 regulatory board, Kansas state school for the blind and the Kansas state
11 school for the deaf shall submit a zero-based budget proposal for the fiscal
12 year ending June 30, 2019, and shall be subject to zero-based budget
13 review each 10 years thereafter.

14 (c) The department of administration, office of information
15 technology services, office of administrative hearings, insurance
16 department, Kansas public employees' retirement system and the state
17 treasurer shall submit a zero-based budget proposal for the fiscal year
18 ending June 30, 2020, and shall be subject to zero-based budget review
19 each 10 years thereafter.

20 (d) The department of commerce, Kansas housing resources
21 corporation, board of accountancy, state bank commissioner and the state
22 department of credit unions shall submit a zero-based budget proposal for
23 the fiscal year ending June 30, 2021, and shall be subject to zero-based
24 budget review each 10 years thereafter.

25 (e) The department of corrections, state board of indigents' defense
26 services, judicial council, Kansas sentencing commission, Kansas human
27 rights commission and the emergency medical services board shall submit
28 a zero-based budget proposal for the fiscal year ending June 30, 2022, and
29 shall be subject to zero-based budget review each 10 years thereafter.

30 (f) The Kansas department of health and environment, board of
31 nursing, Kansas dental board, state board of healing arts, health care
32 stabilization fund board of governors, Kansas board of examiners in fitting
33 and dispensing of hearing instruments and the board of examiners in
34 optometry shall submit a zero-based budget proposal for the fiscal year
35 ending June 30, 2023, and shall be subject to zero-based budget review
36 each 10 years thereafter.

37 (g) The department of labor, state board of mortuary arts, state board
38 of technical professions, state board of pharmacy, Kansas board of
39 barbering and the Kansas state board of cosmetology shall submit a zero-
40 based budget proposal for the fiscal year ending June 30, 2024, and shall
41 be subject to zero-based budget review each 10 years thereafter.

42 (h) The department of revenue, state board of tax appeals, office of
43 the securities commissioner of Kansas, abstracters' board of examiners,

1 real estate appraisal board and the Kansas real estate commission shall
2 submit a zero-based budget proposal for the fiscal year ending June 30,
3 2025, and shall be subject to zero-based budget review each 10 years
4 thereafter.

5 (i) The department of transportation, citizens' utility ratepayer board,
6 state corporation commission, department of education, governmental
7 ethics commission, Kansas lottery and the Kansas racing and gaming
8 commission shall submit a zero-based budget proposal for the fiscal year
9 ending June 30, 2026, and shall be subject to zero-based budget review
10 each 10 years thereafter.

11 (j) The adjutant general, Kansas highway patrol, Kansas bureau of
12 investigation, state fire marshal and the Kansas commission on peace
13 officers' standards and training shall submit a zero-based budget proposal
14 for the fiscal year ending June 30, 2027, and shall be subject to zero-based
15 budget review each 10 years thereafter.

16 Sec. 7. This act shall take effect and be in force from and after its
17 publication in the statute book.