

Approved: February 26, 2009
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 February 16, 2009, in Room 535-N of the Capitol.

All members were present except:

Representative Brenda Landwehr- excused
Representative Tom Sloan- excused

Committee staff present:

Rena Jefferies, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Hank Avila, Kansas Legislative Research Department
Mary Galligan, Kansas Legislative Research Department
Gary Deeter, Committee Assistant

Conferees appearing before the committee:

Chuck Simmons, Deputy Secretary for Facilities Management, Kansas Department of Corrections
Jane Carter, Executive Director, Kansas Organization of State Employees
Representative Mike Burgess,
Derrick Sontag, State Director, Kansans for Prosperity
Barb Hinton, Legislative Post Audit

Others attending:

See attached list.

The Chair opened the hearing on **HB 2316** - State employees; requiring an equal furlough plan across state agencies; effect on employee benefits.

Chuck Simmons, Deputy Secretary for Facilities Management, Kansas Department of Corrections, suggested an amendment to the bill, substituting the term *services* for the term *officer* on page 2, line 1 (Attachment 1).

Jane Carter, Executive Director, Kansas Organization of State Employees, testified as an opponent to the bill (Attachment 2). She provided other documentation to illustrate that Kansas state employees fare poorly in salaries and benefits in national rankings (Attachments 3 and 4). Answering questions, Ms. Carter said that unclassified employees constitute 46% of the Kansas workforce. A member requested staff to ascertain what percent of the workforce is administrative. To another question Ms. Carter replied that many employees move from classified to unclassified solely to obtain increased salaries, not because they are gifted supervisors.

Gary Adkins, Executive Director, State Employees Association of Kansas, commended the legislature for implementing a new pay plan last year, but stated that the present bill was a step backward (Attachment 5).

The Chair closed the hearing on **HB 2316** and opened the hearing on **HB 2320** - State finance, state budget

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stabilization reserve fund in state treasury.

Staff Daniel Yoza briefed the Committee on the bill, saying that the bill authorizes the Secretary of the Kansas Department of Administration to use the April consensus estimating figure for the state budget's ending balance as a baseline and in August, if revenues exceed the estimate, 2% of the excess above the ending balance is to be set aside in a budget stabilization fund. Members discussed the difference between the 2% and the statutory ending balance of 7.5%. Staff stated that the two are separate and not interrelated.

Representative Burgess spoke in favor of the bill, saying that if such a fund were in place this year, the rescission bill would have been less onerous.

Derrick Sontag, State Director, Kansans for Prosperity, also spoke as a proponent for the bill, commenting that Kansas is one of five states that does not have a stabilization fund (Attachment 6). Responding to questions, Mr. Sontag said other states' stabilization funds vary widely in process and policy. Several members commented that the fund seemed irrelevant for addressing budget issues. Another member, in support of the bill, referenced the Health Care Stabilization Fund, which has assisted physicians in obtaining affordable insurance.

Revisor Jim Wilson explained further the mechanics of the bill. Answering a question, he said that the 2% was not assessed in relation to the total budget, but only on authorized expenditures and transfers from the previous fiscal year.

The hearing on **HB 2320** was closed, and the Chair opened the hearing on **HB 2265** - Post audit, financial compliance audits, new state treasurer transition audits, periodic audits of state treasurer and pooled money investment board financial management practices.

Barb Hinton, Legislative Post Audit, explained that the bill changes certain reporting requirements from one year to three years, saving the state about \$40,000 over a period of three years. (Attachments 7 and 8). A member commended Post Audit for its work.

The hearing was closed.

The Chair suggested consideration of **HB 2219** - Kansas performance measurement commission; extend sunset; other. A motion was made, seconded, and passed unanimously to recommend HB 2219 as favorable for passage. (Motion, Representative Ruiz; seconded by Representative Burgess)

The Committee considered **HB 2265**. A motion was made by Representative Roth and seconded by Representative Spalding to recommend the bill as favorable for passage. The motion carried unanimously.

A motion was made and seconded and passed to reconsider HB 2219 (Motion by Representative Burgess, seconded by Representative Ruiz) Revisor Renae Jefferies noted that some technical changes needed to be made in the bill. Representative Ruiz made a motion, seconded by Representative Burgess, to amend the

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technical language into the bill and recommend the bill as favorable for passage. The motion passed.

The meeting was adjourned at 5:06 p.m. The next meeting is scheduled for February 17, 2009.