

Approved: February 3, 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 January 28, 2009, in Room 535-N of the Capitol.

All members were present except:

Representative Tom Sloan- excused

Committee staff present:

Renae 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:

Representative Jeff King

Senator Chris Steineger

Others attending:

See attached list.

The minutes for the January 20, 2009, meeting were approved. (Motion by Representative Neufeld; seconded by Representative Landwehr)

Representative King requested that the Committee sponsor a bill creating a zero-sum budgeting process for state agencies. He said the proposed bill will establish a six-year rotation so that an agency need not create a new budget every year. A motion was made (Representative Burgess), seconded (Representative Neufeld), and passed to sponsor the bill.

Representative Burgess noted four bill requests which he made at the January 20 meeting, adding a further request for new legislation to adopt standards for electronic committee processes and archiving of legislative bills. Representative Burgess made a motion, seconded by Representative Spalding, to introduce the bill as a committee bill. The motion passed.

Senator Chris Steineger, commenting on the state's economic crisis, recommended that the Committee consider selling the University of Kansas Hospital (Attachment 1). Tracing the background of the hospital, he noted that the Kansas University Hospital Authority was created to be separate from the Kansas University Medical Center; he noted that the former is now a quasi-private entity. He referenced **SB 372** from the 2007 session which would have, had it passed, sold the hospital. He observed that the value of the hospital included not only the physical assets, but the brand and the good reputation of the hospital. Members discussed whether or not state ownership was needed to receive Medicare and Medicaid reimbursements. Answering a question, Senator Steineger said the pending designation of the hospital as a cancer center should not be affected by its sale, since the designation depends more on the amount of research and the quality of

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medical services than on ownership. Members raised the possibility of unintended adverse consequences to the Graduate Medical Education program if the hospital were to be sold.

The Chairman requested that the work groups report their findings and make appropriate requests for bill introductions.

Representative Burgess reported that a bill is presently being drafted to create a stabilization fund to put funds in reserve during good years to provide a funding bridge during lean economic years. He reported that the Performance Measurement Management Commission has developed a draft report of their work, which can be incorporated into a bill to create a pilot project. He stated that a pricing flexibility bill is also being drafted.

Representative Trimmer reported that a bill is being drafted to modify the waiver in the state-use law that requires school districts to show purchasing preference for certain state vendors. According to the proposed legislation, a school district will be permitted to purchase locally if the price of an item is at least 10% less than the price in the state catalogue. He noted that modification in the state-use law will save school districts thousands of dollars in the purchase of toner cartridges alone.

The Chair reported on the proposal to sell unused state assets and property. Members noted the difficulty of obtaining accurate information about what property is owned by the state. A member recommended a magazine article addressing this issue (Attachment 2). Members agreed that a general-concept bill might be an initial course of action.

Representative Burgess made a motion, seconded by Representative Vickrey, to introduce as Committee bills the proposed legislation mentioned above and the ones introduced by Representative Burgess on January 20. The motion passed.

Representative Neufeld reported that a bill was being drafted to restore to the state budget items that were taken off budget in 2002. Referencing the budget shortfalls and the fact that state employees might be furloughed, he recommended creation of a policy addressing the issue. Answering a question, he said revenue transfers would also be included in the first bill. Representative Neufeld made a motion, seconded by Representative Landwehr, to introduce the two bills above as Committee bills. The motion passed.

Representative Vickrey reviewed the Kansas Whistle Blower statute, saying that it was weak in providing confidentiality to individuals who report deficiencies in the workplace and noting that Kansas was ranked 29th nationally by the Public Employees for Environmental Responsibility. Staff Renae Jeffries commented that Connecticut has a whistle-blower statute similar to Kansas with a stronger employee protection component. After some discussion, Representative Vickrey made, and Representative McCray-Miller seconded, a motion to introduce a bill that would amend the Whistle Blower Act to extend its protections to more employees. In drafting the bill, staff was instructed to look at the Connecticut law and to work with Representative Vickrey on specific provisions. After some discussion to assure that the bill would include temporary employees as well as full-time employees, the motion passed. Representative Roth voted no.

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Representative Spalding thanked members of her work group and staff for their efforts and offered details regarding their findings:

- Statute books provided to legislators cost \$90,000 annually to be printed. The Committee may want to recommend legislators opt in to receive the books rather than opt out.
- A complete set of regulations is published every three years at a cost of \$250,000.
- The recommendation to replace state vehicles with hybrids does not have enough data to warrant any action at this time.
- Energy conservation measures such as lighting currently have no state standards by which to judge a knowledgeable course of action.
- No creditable study has been made to ascertain the number and location of state-owned properties. Post Audit and the Department of Administration have attempted to gather such information, but currently no database exists to provide this information.

A motion was made, seconded, and passed to draft a bill creating a database reflecting state property ownership. Using the Property Valuation Division of the Kansas Department of Revenue, counties can report state property to the Department of Administration, which will create the database as a part of the state transparency website KANView. (Motion, Representative Spalding; second, Representative Neufeld.)

The Chair announced that further reporting from the work group will continue at tomorrow's meeting; he adjourned the meeting at 5:17 p.m. The next meeting is scheduled for January 29, 2009.