

MINUTES OF THE E-GOVERNMENT COMMITTEE.

The meeting was called to order by Chairperson Deena Horst at 3:35 p.m. on February 26, 2002, in Room 526-S of the Capitol.

All members were present.

Committee staff present:

Lisa Montgomery, Revisor of Statutes' Office  
Jim Wilson, Revisor of Statutes' Office  
Martha Dorsey, Legislative Research Department  
Robert Chapman, Legislative Research Department  
Gary Deeter, Committee Secretary  
Dean Samuelson, Secretary

Others attending: See attached sheet.

The minutes for the February 19, 2002, meeting were approved as printed. (Motion, Representative Wilson; second, Representative Levinson)

The Chair noted the distribution of the Annual Summary of Agency Three-Year Information Technology Management and Budget Plans from the Kansas Information Technology Office. (Selected pages form Attachment 1)

The Chair opened discussion on **HB 2667**. Staff Jim Wilson reviewed an amendment to **HB 2667**, saying the amendment obviates the need for various agencies to individually seek statutory permission to use digital or electronic signatures, noting that the bill remains the same except for the changes in (f) and (g) under Section 1. (Attachment 2) He said the amendment does not mandate an agency's use of digital or electronic signatures, but specifies that if such signatures are used, the agency must follow the rules and regulations laid out by the Secretary of State. Representative Holmes added that if an agency decides to use such signatures, the rules and regulations requirement provides legislative oversight through the Rules and Regulations Committee. Answering questions, Mr. Wilson said that the definition of *person* in (f) includes state agencies; he explained that the term *state agencies* includes Regents institutions, but not K-12 schools. He said the repeal of K.S.A. 2001 Supp. 16-1605 mentioned in Section 2 does not eliminate the use of a physical signature, but allows digital (encrypted) and electronic facsimile signatures to be valid as well.

Representative Holmes made a motion to accept the report of the sub-committee amending **HB 2667**, seconded by Representative Levinson. The motion was passed unanimously. Representative Holmes made a motion to adopt the amended bill as a substitute for **HB 2667**. Seconded by Representative McLeland, the motion passed unanimously.

The Chair opened discussion on **HB 2719**, asking Representative Morrison to report on the joint sub-committees' work on the bill. Representative Morrison said that proposed amendments had been set aside, and that concerns relayed by Representative McLeland from Margaret Haddock, Purchasing Agent for Wichita State University, had been worked out with John Houlihan, Director, Division of Purchasing. The Chair noted the circulars provided by Mr. Houlihan regarding purchasing policies. (Attachment 3)

Representative Morrison made a motion, seconded by Representative Gatewood, that the sub-committees' report be accepted in its present form. The motion carried. Answering questions, Mr. Houlihan said that grants are not handled differently in the bidding procedure unless specified in the grant and that grants did not affect the appropriations process.

A motion was made to pass **HB 2719** favorably. (Representative Lane, second, Representative Levinson.)

Discussing the motion and expressing a concern that agencies be free to purchase at less than the state contract price, Representative McLeland introduced a motion to amend **HB 2719** directing the Director of Purchases to participate in the national association of educational buyers and allow state agencies to purchase supplies, materials or equipment off contract if the equivalent can be purchased at a lower price. The motion was seconded by Representative Goering. (Attachment 4) Members expressed concern that

if the amendment passed, making information on a given contract variable or optional might abrogate a purchasing contract or might make companies reluctant to bid. Asked to respond, Mr. Houlihan said current law already allows him to be involved in a buying consortium. He said a statewide contract may not get the lowest price on small items like spark plugs, but it can mean significant savings for larger items. The amendment failed on a vote of 5-8. The motion to recommend passage of **HB 2719** was passed by a vote of 9-3.

Further discussion regarding purchases was discussed. Representative Holmes noted that the Governor's new airplane was obtained by a lease-purchase arrangement that circumvented the bid process. He expressed concern that the state's debt service costs were growing. Representative Morrison expressed appreciation for Mr. Houlihan's frugal Information Technology purchases and said it is the legislature's, not the Director of Purchasing's, responsibility to address policy regarding lease-purchasing. Answering a question, Mr. Houlihan said he had not been involved in lease-purchases. Staff Robert Chapman noted that information on lease-purchases, although reported, is not easily available. Representative Holmes said that such information can be obtained only by going through individual agency budgets. Members discussed ways to make lease-purchase information more transparent. The Chair stated that she will approach the Speaker regarding the issue when she discusses the Strategic Plan with him.

The Chair announced that sub-committees may meet on Thursday, March 7, and also on Tuesday, March 12. The meeting was adjourned at 4:59 p.m.