

Approved: Al Ramirez 1-25-93  
Date

## MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Chairperson Alfred Ramirez at 1:30 p.m. on January 14, 1993, in Room 531-N of the Capitol.

All members were present except: Senator Harris - Excused  
Senator Vidricksen - Excused

Committee staff : Julian Efird, Legislative Research Department  
Carolyn Rampey, Legislative Research Department  
Fred Carman, Revisor of Statutes  
Jackie Breymeyer, Committee Secretary

Conferees appearing before the committee: Barbara Hinton, Legislative Post Audit

Others attending: See attached list

Chairman Ramirez welcomed the committee, stated that this was an organization meeting, and asked each member and staff to say a few words about themselves.

The Chairman then explained Substitute for SB 476 which establishes the Kansas Governmental Operations Accountability Law (K-GOAL). This bill provides for scheduled legislative oversight of designated state agencies. The two state agencies to be addressed in 1993 are the Department of Social and Rehabilitation Services and Capital Area Security Patrol.

The Chairman directed the committee's attention to their committee books which contained SB 5 and explained that the bill came out of Proposal No. 10 of interim study and assigned to this committee. A hearing will be conducted on this bill on Thursday, January 21. The bill provides for the Director of the Division of Health to be a physician. Formerly the position was held by a non-physician.

Another topic the Chairman had discussed with the Senate President was legislative articles. At the present time there are 40 members of the Senate. The number of Senate seats can be changed to 39 statutorily, but cannot be changed to 41 without a constitutional amendment. The committee may take a closer look at this subject later on in the session.

The Chairman called on Julian Efird, Legislative Research, to give a briefing on K-GOAL and some of the issues to be addressed by the committee.

Mr. Efird distributed a Memorandum to committee members. (Attachment 1) and began his presentation. In the past, both the House and Senate standing committees on Governmental Organization have been the committees of reference in the Legislature that have looked at what was known as sunset review legislation. There was a Kansas sunset law previously that was enacted in 1978 that was involved in periodic review of agencies that were under sunset. If the Legislature did not pass legislation reauthorizing or extending those agencies, they literally came to an end. They had one year to go out of business and then they were gone forever. This was a death sentence for agencies, and one of the things that was both praised and criticized about the sunset law. The sunset law, itself, ironically had been scheduled for sunset or abolition several times, the most recent being 1992. The Legislature looked at the law and debated long and hard as to whether to let it sunset or not and, in the end, repealed the statutes which established the sunset law. In its place the Legislature added new legislation that became effective July 1, 1992. The new legislation replaces the old sunset procedures with some new procedures which are very similar in many respects to the old law. Beginning with the 1993 Legislature, President Burke has indicated that this committee will be responsible for implementing certain of those provisions and legislative responsibilities for what has become statutory law with this new bill, SB 471.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION, Room 531-N Statehouse, at 1:30 p.m. on January 14, 1993, 1993.

After further review of the bill by Mr. Efird and comments by various members of the committee, Barbara Hinton, Legislative Post Audit, distributed an attachment entitled, "Summary of Performance Audit Reports" (Attachment 2) and spoke to the committee.

Ms. Hinton stated that any of the audits were available to the committee, as well as audit staff to present them. She then proceeded to tell how the audit system works, using the Capitol Area Security Patrol as an example. Information was gathered about the concerns and problems with the Capitol Area Security Patrol. Post Audit spoke with legislators and employees and developed what is called a Scope Statement. This statement of cares and concerns was run by the House and Senate Governmental Organization Chairmen and others. Once they had a scope statement approved by the requestors it went to the Post Audit committee for review and modification which they can do by law and are in fact required to review and then proceed. That is how an audit happens. Something as big as SRS or Health & Environment needs a particular focus. In other words, the committee needs to pick something and focus on that particular area. All of an SRS cannot be done; it is huge.

Ms. Hinton mentioned a Foster Care audit which is a very small portion of SRS that totaled \$50 million dollars. A major portion of the staff spent nine months going through files because nothing was on the computer. They had to dig for the information.

There are limitations on what can be done. When these particular agencies come up for review, discuss with other legislators what areas are important and what are the areas of focus. This is all you will be able to do.

Ms. Hinton introduced the Chairman of the Post Audit Committee, Representative Jim Lowther, and Leo Hafner, Post Audit Staff.

Mr. Efird resumed speaking and said he would like to preface his remarks by saying the Legislature is not a year-round, full-time operation. In the past the Senate Governmental Organization committee has met two days a week, Monday and Tuesday traditionally, for one hour over the course of the legislative session. This is a very small amount of time to do such a large task of review and, quite, frankly, one of the criticisms that have been raised. There are so many things that should be looked at, but the issue always comes back to the amount of time that is available.

In the statutes there are some guidelines provided as to what the committee should do; operational guidelines that have been written into the law. Whether or not the committee chooses to follow all of them or none of them is a committee determination. Agencies coming up for review can have some expectations of what they can expect with some of these guidelines.

Legislation has given the committee a channel to follow, but the course through that channel is up to the committee. There will be certain audits available, but not every subject that everyone might be interested in. This will keep the channel narrow. There may be questions that cannot be answered this legislative session because of the time element. Sometimes recommendations are made for interim study of the important questions that cannot be done during the session.

Several comments were made regarding SRS and the many unanswered questions that deal with that agency. Mr. Efird responded that this is not the only committee that deals with SRS. Ways and Means and Public Health and Welfare are two other committees that deal with this agency.

Chairman Ramirez commented that several requests for interim study had been submitted in the past when he was Vice-Chairman of House Governmental Organization Committee, but Post Audit had only so many proposals they could take. It is hard to explain to the people back home that to try to delve into the issues and get down to the 'nuts and bolts' cannot be done in 90 days. The House has more committee time and can go into more detail, but the Senate has only one hour of committee time and it is very frustrating.

One of the committee members suggested that the possibility exists that we could introduce a bill postponing the final conclusion of SRS; in other words, put it off so we could have whatever pieces or portions of SRS we want to review.

The comment was made that one of the problems with the sunset hearings was the fact that the public was not represented at the hearings. The public needs the opportunity to be heard. They need to tell us about some of the problems they see.

The Chairman asked the committee to take the list provided by Ms. Hinton and select the areas on which they would like to focus. He also reminded the committee that SB 5 would be heard Thursday, January 21.

The meeting was adjourned.

The next meeting is scheduled for January 21, 1993.

GUEST LIST

COMMITTEE: Senate Governmental Organization

DATE: 1-14-93

[illegible]

# MEMORANDUM

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January 14, 1993

To: Senate Committee on Governmental Organization  
From: Julian Efird, Principal Analyst  
Re: 1992 Legislation

The House and Senate Standing Committees on Governmental Organization in past years generally have been the legislative committees assigned the task of "sunset reviews" which were authorized by provisions of the Kansas Sunset Law. However, the law itself had been scheduled for "sunset" last year and the 1992 Session of the Legislature repealed the statutes which established the Kansas Sunset Law.

New legislation became effective on July 1, 1992, and the new law replaced "sunset reviews" with new procedures. Beginning with the 1993 Legislature, the President of the Senate has designated this Committee to be responsible for implementing certain provisions of and legislative responsibilities prescribed by the new law which is described subsequently.

### SUBSTITUTE FOR SENATE BILL NO. 471

Sub. for S.B. 471 established the **Kansas Governmental Operations Accountability Law (K-GOAL)**. The new law (K.S.A. 74-7283 *et seq.* which is attached) provides for scheduled legislative oversight of designated state agencies, consisting of audit, review, and evaluation of certain state agencies on an annual basis, with no threat of abolition of any state agency which is reviewed.

The audit, review, and evaluation of the designated state agencies will be required at least every eight years. Subsequent timing of evaluations of designated state agencies are subject to legislative determination.

- A performance audit will be required of each state agency scheduled for evaluation and an audit can be no more than two years old to meet this requirement.
- Reviews will be required in each house, with performance audits to be made available by the 30th day of the Session.
- No abolition of any state agency scheduled for evaluation is threatened.

*G.O. Comm.*  
*Attachment I*  
*1/14/93*

The year in which designated state agencies will be subject to audit, review, and evaluation by the Legislature is as follows:

1993	Department of Social and Rehabilitation Services Capitol Area Security Patrol
1994	Department of Administration Department of Commerce
1995	Department of Health and Environment Kansas Water Office and Water Authority
1996	Department of Transportation State Board of Agriculture Agricultural Value Added Processing Center
1997	Department of Revenue State Conservation Commission
1998	State Corporation Commission Department of Education
1999	Department on Aging Department of Human Resources
2000	Department of Corrections Department of Wildlife and Parks

S.B. 471 originally was recommended by the Special Committee on Governmental Organization which reviewed the Kansas Sunset Law during the 1991 interim. The Sunset Law was scheduled to expire on July 1, 1992, and K-GOAL was intended to improve upon that law by instituting required audits and by not threatening abolition of agencies scheduled for review.

A number of state agencies which were subject to provisions of the Kansas Sunset Law were removed from sunset and were not included for future review under K-GOAL. Those entities include the following: the Kansas Lottery, Behavioral Sciences Regulatory Board, Commission on Epilepsy, Human Rights Commission, Kansas Film Services Commission, Board of Nursing, Commission on Governmental Standards and Conduct, Real Estate Appraisal Board, Board of Healing Arts, Insurance Department, State Treasurer's Office, and Pooled Money Investment Board.

The 1992 Legislature also added five agencies to periodic legislative review under K-GOAL. Those entities which were not included in the Kansas Sunset Law, but were added to K-GOAL include the following: the Capitol Area Security Patrol, the State Board of Agriculture, the State Conservation Commission, and the Department of Education, and the Agricultural Value Added Processing Center at Kansas State University.

**SENATE BILL NO. 473**

1992 S.B. 473 pertained to the Kansas Sunset Law and the Kansas Lottery. The bill repealed the Kansas Sunset Law on July 1, 1992. The law had been scheduled to expire on that date and the bill repealed the four sections pertaining to the Kansas Sunset Law from the statute books.

S.B. 473 also placed the Kansas Lottery under an abolition provision which is effective on June 30, 1996, unless the Legislature takes action prior to that date to continue or reestablish the Kansas Lottery. The 1992 Legislature considered leaving the Kansas Lottery under provision of the Kansas Sunset Law or placing the Lottery under the new provisions of K-GOAL. However, the final action included in this bill was to make the Lottery subject to abolition in 1996.

**74-7283. Citation of act.** This act shall be known and may cited as the Kansas governmental operations accountability law K-GOAL.

**74-7284. Declaration of purpose of state government and intention of act.** The legislature hereby declares that the purpose of state government is to keep secure the constitutional rights of Kansas citizens, to protect their health, safety and welfare, and to otherwise serve the public need in the most economically beneficial, operationally efficient, and cost effective manner possible. Therefore, it is the intention of this act to provide for a governmental operations accountability system under which the legislature may ensure accomplishment of the declared purpose of state government by periodically reviewing and evaluating the operations of selected state agencies, determining the necessity, propriety and legality of the operations reviewed and evaluated, identifying inefficiency and ineffectiveness, and taking action to retain and maintain appropriate and effective governmental operations, remediate defective governmental operations, and terminate inappropriate or obsolete governmental operations.

**74-7285. Performance audits of agencies subject to review and evaluation; time, scope and objectives; audit reports; review, approval and availability.** (a) The legislative post audit committee shall direct the post auditor to conduct a performance audit of each state agency which is subject to legislative review and evaluation under the Kansas governmental operations accountability law. Each performance audit conducted pursuant to the requirements of this subsection shall be completed not sooner than two years prior to nor later than the 30th calendar day of the regular session of the legislature set for review and evaluation of the state agency.

(b) Any performance audit directed to be conducted by the post auditor and the division of post audit under the provisions of subsection (a) may be general in scope, addressing all operations of the state agency, or may be restricted to a particular operation of the state agency. In directing the post auditor to conduct any such performance audit, the legislative post audit committee may specify the objectives and scope and direct the details of the audit. In conducting any such audit, the post auditor shall include a determination of the applicable factors specified in subsection (b) of K.S.A. 74-7287, and amendments thereto, and such other factors as may be directed to be included by the legislative post audit committee. Upon completion of the performance audit, the legislative post audit committee shall review and approve the audit report. A copy of the audit report shall be made available to each member of the legislature in accordance with the provisions of K.S.A. 46-1212c, and amendments thereto.

**74-7286. Retention under law; future audit, review and evaluation; period of time.** Each state agency subjected to audit, review and evaluation under the Kansas governmental operations accountability law may be retained under such law by act of the

legislature and, if so retained, shall be subjected to future audit by the post auditor and the division of post audit. On one state agency shall be retained under K-GOAL in any one act of the legislature and the name of the state agency shall be included in the title of such act. Each such act shall specify a regular session of the legislature in futuro for the next succeeding review and evaluation of the state agency, but no such review and evaluation shall be deferred for a period of time in excess of eight years.

**74-7287. Legislative review, evaluation and recommendations; public hearings on legality and propriety of agency operations; factors to be considered.** (a) Prior to retention under K-GOAL and subjection to audit, review and evaluation in futuro of a state agency, a committee of reference in each house of the legislature shall review and evaluate the operations of the state agency. Each such committee shall familiarize itself with the provisions of law by which the state agency acquired existence, the manner in which the state agency is supposed to be organized and how the state agency actually is organized, the powers granted to and the operations authorized to be performed by the state agency, what powers are being exercised and what operations are being performed by the state agency, and the manner in which the state agency is exercising its powers and performing its operations. Each committee shall also consider any performance audit conducted by the post auditor and the division of post audit under the direction of the legislative post audit committee pursuant to the provisions of K.S.A. 74-7285, and amendments thereto. During the course of the review and evaluation of the state agency and its operations, each committee of reference shall hold a public hearing for the purpose of receiving testimony from the public, the involved state agency and its officers and employees, and other appropriate state officers and employees. In all such hearings, the involved state agency shall be held accountable for the legality and propriety of the operations under review and be responsible for producing evidence of the necessity for and extent of any changes in the organization, powers or operations of the state agency or in its enabling laws which would increase efficiency or effectiveness.

(b) In reviewing and evaluating a state agency, each committee of reference shall take into consideration the following factors, if applicable, among others, in developing its recommendations regarding the state agency and its operations:

(1) Whether all operations of the state agency have been authorized by the legislature and whether the effects of such operations accord with legislative intent;

(2) whether all operations of the state agency are being performed efficiently and effectively and whether any such operations could be performed in a more efficient, effective or economical manner;

(3) whether regulatory operations of the state agency are reasonably related to and are designed for the purpose of protection or benefaction of the public and have such protection or benefaction as a primary effect;

(4) whether regulatory operations of the state agency could be performed in a less restrictive manner which could adequately protect the public;

(5) whether regulatory operations of the state agency have the effect of directly or indirectly increasing the cost of any



goods or services involved and, if so, whether the increase cost is more harmful to the public than the harm which could result from the termination of such regulatory operations;

(6) whether there is need for any change in the organization of the state agency or in any of its operations which would enable the state agency to fulfill its purposes in a more efficient, effective or economical manner; and

(7) whether the termination of any of a state agency's operations would significantly harm or endanger the rights, health, safety or welfare of the public or result in the reduction or foreclosure of services required or desired by the public.

**74-7288. State conservation commission subjected to audit, review and evaluation.** The state conservation commission, created by K.S.A. 2-1904 and amendments thereto, hereby is subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1997 regular session of the legislature.

**74-7289. Department of wildlife and parks subjected to audit, review and evaluation.** The Kansas department of wildlife and parks and the office of secretary of wildlife and parks, established by K.S.A. 1992 Supp. 32-801, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 2000 regular session of the legislature.

**74-7290. Department of education subjected to audit, review and evaluation.** The state department of education, established by K.S.A. 72-7701, and amendments thereto, hereby is subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1998 regular session of the legislature.

**74-7291. Board of agriculture subjected to audit, review and evaluation.** The state board of agriculture, created by K.S.A. 74-502 and amendments thereto, hereby is subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1996 regular session of the legislature.

**74-7292. State corporation commission subjected to audit, review and evaluation.** The state corporation commission, created by K.S.A. 74-601, and amendments thereto, hereby is subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1998 regular session of the legislature.

**74-7293. Kansas water office subjected to audit, review and evaluation.** The Kansas water office and the director of t. Kansas water office, created by K.S.A. 74-2613 and amendments thereto, hereby is subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1995 regular session of the legislature.

**74-7294. Kansas water authority subjected to audit, review and evaluation.** The Kansas water authority, created by K.S.A. 74-2622 and amendments thereto, hereby is subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1995 regular session of the legislature.

**74-7295. Department of commerce subjected to audit, review and evaluation.** The department of commerce and the office of secretary of commerce, created by K.S.A. 74-5002a, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1994 regular session of the legislature.

**74-7296. Department of administration subjected to audit, review and evaluation.** The department of administration and the office of secretary of administration, created by K.S.A. 75-3702a, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1994 regular session of the legislature.

**74-7297. Capitol area security patrol subjected to audit, review and evaluation.** The capitol area security patrol, created by K.S.A. 75-4503 and amendments thereto, hereby is subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1993 regular session of the legislature.

**74-7298. Department of transportation subjected to audit, review and evaluation.** The department of transportation and the office of secretary of transportation, established by K.S.A. 75-5001, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1996 regular session of the legislature.

**74-7299. Department of revenue subjected to audit, review and evaluation.** The department of revenue and the office of secretary of revenue, created by K.S.A. 75-5101, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and

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evaluation during the 1997 regular session of the legislature.

**74-72,100. Department of corrections subjected to audit, review and evaluation.** The department of corrections and the office of secretary of corrections, established by K.S.A. 75-5203, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 2000 regular session of the legislature.

**74-72,101. Department of social and rehabilitation services subjected to audit, review and evaluation.** The department of social and rehabilitation services and the office of secretary of social and rehabilitation services, created by K.S.A. 75-5301, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1993 regular session of the legislature.

**74-72,102. Department of health and environment subjected to audit, review and evaluation.** The department of health and environment and the office of secretary of health and environment, created by K.S.A. 75-5601, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1995 regular session of the legislature.

**74-72,103. Department of human resources subjected to audit, review and evaluation.** The department of human resources and the office of secretary of human resources, established by K.S.A. 75-5701, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1999 regular session of the legislature.

**74-72,104. Department on aging subjected to audit, review and evaluation.** The department on aging and the office of secretary of aging, created by K.S.A. 75-5903, and amendments thereto, hereby are subjected to audit under the Kansas governmental operations accountability law, and to review and evaluation during the 1999 regular session of the legislature.

**SUMMARY OF PERFORMANCE AUDIT REPORTS**  
**Issued March 1983 - Present**

<b><u>RPT. #</u></b>	<b><u>GENERAL GOVERNMENT</u></b>	<b><u>DATE</u></b>
86-33	Reorganization of the Division of Environment	10-85
85-78	WATS Lines in State Agencies	7-85
85-60	Administrative Office Procedures at the Department of Economic Development	3-85
85-59	Sunset Review of the State Treasurer's Office	2-85
85-57	Administration of the Small Cities Community Development Block Grant Program	1-85
85-61	Alternatives to State Ownership of the Santa Fe Office Building	1-85
85-54	Real Property Valuation in Kansas	11-84
85-53	Personnel Policies and Practices of The Department of Human Resources	11-84
85-52	Developing Recreational Facilities at Hillsdale Reservoir	9-84
	Review of Federal Criticism's of the Mined-Land Conservation and Reclamation Board	4-83
 <b><u>HEALTH AND WELFARE</u></b>		
92-49	Reviewing Fee-Funded Regulatory Agencies' Programs for Impaired Licensees	1-93
93-31	Examining Increases in Expenditures from the State Workers' Compensation Fund	11-92
93-30	Examining the Effectiveness of the KanWork Program	10-92
92-48	Reviewing How the State Supervises Potentially Violent Mental Patients At Topeka State Hospital	7-92
92-47	Reviewing Procedures and Staffing for Child Abuse Cases in Douglas County	4-92
92-44	Reviewing State-Funded Medical Scholarships in Kansas	4-92
91-36	Foster Care Program, Part IV: Summary Report	6-91
91-35	Foster Care Program, Part III: Staffing and Funding Levels	4-91

*G.O. Comm.  
Attachment 2  
1/14/93*

**SUMMARY OF PERFORMANCE AUDIT REPORTS**  
**Issued March 1983 - Present**

<b><u>RPT. #</u></b>	<b><u>HEALTH AND WELFARE</u></b>	<b><u>DATE</u></b>
91-34	Foster Care Program, Part II: Placement of Children and Delivery of Services	3-91
91-30	Foster Care Program, Part I: An Overview of the Program	10-90
90-57	Assessing How Effectively the Department of Social and Rehabilitation Services Handles Reports of Child Abuse and Neglect	11-90
90-49	Funerals and Burials for Public Assistance Recipients	4-90
90-47	Examining Increases in Expenditures for Adult Care Homes	4-90
90-36	Department of Social and Rehabilitation Services' Provision of Alcohol and Drug Abuse Treatment Services	3-90
90-30	Drug Acquisitions Under the Medical Assistance Program	10-89
88-48	Improving the System for Providing Mental Health Programs and Services in Kansas	8-88
88-45	Client Abuse Reporting Systems, Part III: Reviewing Implementation of Previous Audit Recommendations	2-88
88-42	Federal Staffing Requirements for Registered Nurses Applicable to Larned State Hospital	12-87
87-57	Client Abuse Reporting Systems, Part II: Parsons and Norton State Hospitals and Kansas Neurological Institute	9-87
87-51	Regulation and Operation of Cowley County Developmental Services	5-87
87-52	Client Abuse Reporting System at Winfield State Hospital	3-87
87-38	Placement of Abused and Neglected Children	2-87
87-39	Kansas Industries for the Blind	2-87
87-44	Cowley County Developmental Services, Inc.	1-87
87-33	Licensing Kansas Drivers with Medical Disabilities	10-86
86-58	Private-Pay Rates for Adult Care Homes	7-86