

Approved: April 23, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on April 6, 1993 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Leah Robinson, Legislative Research Department
Scott Rothe, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

HB 2012 -- SUB FOR H 2012 BY COMMITTEE ON APPROPRIATIONS -- CORPORATION FOR CHANGE, AUTHORIZING DISPOSITIONS OF MONEY IN FAMILY AND CHILDREN TRUST ACCOUNT, PERSONNEL RETIREMENT PROVISIONS

Norman Furse reviewed the changes that **HB 2012** makes to the Corporation for Change Act (see supplemental note). He stated that House Committee of the Whole had deleted the final change which would have allowed employees to participate in KPERS or in the state's enhanced deferred compensation plan. He explained that if the Committee wishes to retain that deletion, lines 25 and 26 on page 1 and all of section 3 should be deleted.

Jolene Grabill, Executive Director, Corporation for Change, testified that the first change is requested to comply with the Federal Child Abuse and Neglect Challenge Act. If the change is not made, all or part of the \$70,000 matching federal grant could be lost. She stated that when the trust was incorporated last year, administrative costs (which would be approximately \$5,000 in new administrative costs annually and another \$2,000 in one time costs) were not included in the statute. In addressing the third change, Ms. Grabill stated that KPERS eligibility had been removed on the Senate floor last year and a drafting error deleted eligibility for any retirement option. In answer to questions, Ms. Grabill stated that the project as originally proposed was to last for 5-10 years. There was no sunset provision in the legislation, but she indicated that she would not object to it. Ms. Grabill said that the Corporation for Change is a quasi public agency. The Secretary of Administration told members that, as part of their enabling legislation, most quasi public agencies provide regular KPERS benefits for employees, but no quasi public agencies have enhanced deferred compensation. Ms. Grabill stated that she would be satisfied with one option for retirement eligibility.

It was moved by Senator Vancrum and seconded by Senator Petty that Sub for HB 2012 be amended by deleting the words "pursuant to K.S.A. 74-4911f and amendments thereto" from line 28 and 29 of page 1 and by deleting section 3. The motion carried on a voice vote."

The motion by Senator Karr and seconded by Senator Petty to recommend Sub for HB 2012 as amended favorable for passage carried on a roll call vote.

HB 2540 -- ESTABLISHING THE HUMAN RESOURCES INVESTMENT COUNCIL

The Chairman explained that he would like to use **HB 2540** as a vehicle by amending it with proposed legislation that would make the vice president of the Senate a member of the Legislative Coordinating Council. He noted that the content of **HB 2540** would be totally removed and the language of the substitute bill

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on April 6, 1993.

(Attachment 1) would replace it. It was moved by Senator Vancrum and seconded by Senator Morris that **HB 2540** be amended by the substitute bill (Attachment 1). The motion carried on a voice vote.

Senator Brady moved, Senator Karr seconded that **S Sub for HB 2540** be amended by changing the number required for majority action from 5 to 6. The motion carried on a voice vote.

It was moved by Senator Lawrence and seconded by Senator Morris that **S Sub for HB 2540** as amended be recommended favorable for passage. The motion carried on a roll call vote.

SB 415 -- AUTHORITY FOR DEPARTMENT OF REVENUE TO ACQUIRE AUTOMATED TAX SYSTEM

Secretary Parrish, Department of Revenue, reviewed **SB 415** (which was heard on March 30, 1993), reminding members that payment of the contract is contingent upon increased revenues from the automated system. She reminded the Committee of the subcommittee's recommendations. It was moved by Senator Salisbury and seconded by Senator Morris that **SB 415** be conceptually amended to include the subcommittee's recommendations that a Consensus Revenue Estimating Committee review or certify the increased revenue attributable to the new system, and that the Joint Committee on Computers and Telecommunications (JCCT) review requests for proposals prior to its publication or distribution. The motion carried on a voice vote.

Senator Morris moved, Senator Petty seconded, that **SB 415** as amended be recommended favorable for passage. The motion carried on a roll call vote.

HB 2538 -- DATA PROCESSING AND TELECOMMUNICATIONS EQUIPMENT, PRODUCTS AND SERVICES FOR STATE AGENCIES, NEEDS ANALYSES AND ACQUISITION PROCEDURES

Norman Furse reviewed the provisions of **HB 2538**. Secretary Seltsam, Department of Administration, testified that **HB 2538**, among many statutory changes, expands the authority of the JCCT. She stated that **HB 2538** appears to micromanage the Department of Administration and diminishes the Governor's role in establishing priorities in the development of a comprehensive plan for the data processing needs of state agencies. She provided an outline of proposed amendments which she reviewed for the Committee (Attachment 2). She reviewed the fiscal impact of the bill and other concerns that the Department had.

Mike Lackey, Department of Transportation, expressed the concerns of the Department regarding **HB 2538** as outlined in Attachment 3.

The Chairman noted that **HB 2538** represents major changes that cannot be considered in the time frame remaining in the legislative session, but he noted that problems have occurred within the regents system because they have been exempted from any review requirements for the purchase of data processing equipment. It was moved by Senator Rock and seconded by Senator Salisbury that **HB 2538** be amended by deleting all sections except section 7. (The effect of the motion would be to include the Regents in current law regarding the acquisition of data processing and telecommunications hardware, software and services.) The motion carried on a voice vote

Senator Rock moved, Senator Petty seconded, that **HB 2538** as amended be recommended favorable for passage. The motion carried on a roll call vote.

It was moved by Senator Brady and seconded by Senator Karr that the subject matter of the deleted sections be referred to the Joint Committee on Computers and Telecommunications for further study. The motion carried on a voice vote.

SB 432 -- ESTABLISHING THE MR/DD MONITORING COMMISSION

Staff reviewed the members and the responsibilities of the proposed commission as set forth in **SB 432**. Chairman Bogina expressed his desire that **SB 432** might prevent hearings on the issue of closure for mental retardation institutions that were held in the House. Concern was expressed that representation on the commission not include legislators from the districts involved. Concern was also expressed about the increasing number of commissions. It was moved by Senator Petty and seconded by Senator Moran that **SB 432** be amended by adding the words "or designee" to Sec.2. (a) (1) and (2). The motion carried on a voice

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vote.

Senator Morris moved, Senator Rock seconded, that **SB 432** as amended be recommended favorable for passage. The motion failed on a roll call vote.

The Chairman announced that Senate Ways and Means would meet beginning at 10:00 on Thursday, April 22, 1993. All day meetings will be held April 22, 23, 26 and 27, 1993.

INTRODUCTION OF BILLS

It was moved by Senator Moran and seconded by Senator Petty that bill draft 3 RS 1318 as requested by Senator Reynolds be introduced. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:55 P.M.

The next meeting is scheduled for April 7, 1993.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: April 6, 1993

[illegible]

SENATE Substitute for HOUSE BILL NO. ²⁵⁴⁰~~2004~~

AN ACT concerning the legislative coordinating council; membership thereon; amending K.S.A. 46-1201 and 46-1204 and repealing the existing sections.

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

Section 1. K.S.A. 46-1201 is hereby amended to read as follows: 46-1201. (a) There is hereby established the legislative coordinating council which shall have ~~seven-(7)~~ eight members. Such members shall be the president of the senate, the speaker of the house of representatives, the vice-president of the senate, the speaker pro tem of the house of representatives, the majority leader of the senate, the majority leader of the house of representatives, the minority leader of the senate, and the minority leader of the house of representatives.

(b) In even-numbered years, the speaker of the house of representatives shall be chairman of the legislative coordinating council, and the president of the senate shall be vice-chairman thereof. In odd-numbered years, the president of the senate shall be chairman of the legislative coordinating council, and the speaker shall be vice-chairman thereof.

(c) The legislative coordinating council shall meet at least once each month in the interim between legislative sessions. Such council shall meet on the call of its chairman or any three members of the council. The director of legislative administrative services, director of legislative research, revisor of statutes and each member of the legislature shall be given notice of each meeting of the council by its chairman, except in cases of emergency. Each such notice shall state the date, time and place of the meeting. The chairman also shall cause minutes to be prepared for each meeting of the council, and a copy thereof shall be sent to each person who is required to receive notice of the council's meetings by this subsection. It

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shall not be necessary to transmit with such minutes any accompanying documents for any item of business, but the minutes shall indicate whether there are supportive documents for any item of business, the nature of such documents and where they are filed or stored.

Sec. 2. K.S.A. 46-1204 is hereby amended to read as follows: 46-1204. The legislative coordinating council shall be authorized to contract for purchases of personal property or services, and in the discretion of such council, the same may be made as provided in K.S.A. 75-3739. Such council may delegate such authority to make or contract for such purchases or services, except professional services, to the director of legislative administrative services. No member or committee of the legislature, except the legislative coordinating council, shall be authorized to employ or contract for professional services to be paid from appropriations for legislative expense or from appropriations to the legislative coordinating council. The legislative coordinating council may employ by contract and direct one or more attorneys, who are approved by a vote of ~~three-quarters-(3/4)-of-the~~ seven members of the legislative coordinating council, to represent the legislature, either house thereof, the legislative coordinating council, any legislator, any officer or employee of the legislative branch or any combination of the foregoing, and any such attorney shall be paid from appropriations for legislative expense. No contract made under authority of this section shall require approval under any other statute.

Sec. 3. K.S.A. 46-1201 and 46-1204 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

SENATE WAYS AND MEANS COMMITTEE

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TESTIMONY PRESENTED BY SUSAN M. SELTSAM
SECRETARY OF ADMINISTRATION

Mr. Chairman and Members of the Committee.

HB 2538 is a bill which substantially expands the authority of the Joint Committee on Computers and Telecommunications. I believe it is valuable to have a joint committee with information technology expertise and oversight to serve as a legislative point of contact for information technology issues, but this bill seems to micro-manage the Department of Administration and would diminish the Governor's role in setting priorities and initiatives in the area of information technology.

New Section 1 gives the Secretary the authority to set guidelines, standards, policies and procedures, as well as specific cost thresholds for acquisitions requiring a needs analysis. However Section 6, which relates to the Department's Division of Purchases, appears to allow a negotiated procurement only if a needs analysis has been prepared, regardless of the cost of the acquisition. I offer the attached balloon amendment to Section 6 to reconcile that section with Section 1. Similar balloon amendments are also proposed to reconcile Sections 8 and 9 with the cost thresholds in Sections 1 and 2.

New Section 2 requires that, prior to contracting for any acquisition which exceeds a two-tiered cost threshold, the agency must present the proposed acquisition to the JCCT committee. I believe the first tier, consisting of acquisitions costing \$25,000 in a fiscal year, is too low. I request that this be amended to provide a single threshold --- acquisitions with an aggregate cost of \$100,000.

New Section 2 also imposes a 30-day waiting period between the date of presentation to the JCCT committee and the acquisition. This 30-day delay can cause substantial problems at fiscal year end. Similarly subsection (b), which declares any contract entered into within that 30-day period to be void, would really be a problem this year given the effective date of the act upon publication in the Kansas Register.

Last year, the JCCT very closely scrutinized approvals and acquisitions made at the end of the fiscal year. I submit that this bill will force an even greater volume of year-end

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acquisitions and require the JCCT to meet much more frequently than they are currently. For this reason, I have proposed a balloon amendment making the act effective upon publication in the statute book.

Section 5 amends current law regarding the role of the Department's Division of Budget. The Division believes subsection (a)(3) unnecessarily complicates budget preparation. Currently, budget instructions require all data processing and telecommunication budget requests to be submitted for review by DISC as well as the Budget Division. Because data processing and telecommunications span many detailed levels of each budget, i.e. communications, repair and servicing, contractual services, rents and capital outlay, it would be a substantial duplication of effort for every agency, DISC and the Division of Budget to create a separate section.

Once the information is reviewed by DISC and the Division of Budget, the Governor in her budget review and recommendations sets her priorities, which are then forwarded to the Legislature for appropriate action.

I propose an amendment to strike the entire subsection.

Implementation of HB 2538 would have a significant impact on the Department of Administration's resources. Currently, DISC has five (5) Policy and Systems Analysts who provide oversight for all information technology projects. Two of these individuals have additional responsibilities as well. Due to the comprehensive nature of needs analyses, these existing resources are not adequate. A needs analysis is equivalent to the Project Definition and Feasibility Study stages standardized in the Electronic Data Processing Auditors Foundation Control Objectives publication.

Therefore, we estimate implementation of new responsibilities and broadening of existing programs as required by this bill will require seven (7) added EDP Policy and Systems Analysts, at \$45,664 apiece, including fringe benefits; two (2) added secretarial positions at \$32,932 apiece, including fringe benefits; nine sets of office equipment for added positions at \$2,500 each; and \$5,000 in travel and subsistence costs, for a total of \$388,990 the first year.

This additional staffing and cost estimate is based upon the \$100,000 aggregate threshold and not on the tiered amounts now in the bill. I believe covering acquisitions costing \$25,000 in a fiscal year will prove to be much more costly.

In closing, please understand I am not opposed to the overall concept of this bill. However, I believe it requires some clean up to clarify and separate the responsibilities of both the executive and legislative branches of government.

Thank you for the opportunity to appear and I request the committee adopt the amendments offered in the attached balloon.

HOUSE BILL No. 2538

By Committee on Appropriations

3-19

11 AN ACT concerning state agencies; relating to the acquisition of data
12 processing and telecommunications equipment, products and serv-
13 ices; amending K.S.A. 75-37,102, 75-4705, 75-4706 and 75-4707
14 and K.S.A. 1992 Supp. 46-2102 and 75-3717 and repealing the
15 existing sections.
16

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

18 New Section 1. (a) Prior to acquisition of any data processing or
19 telecommunications equipment, products or services, or any com-
20 bination thereof, for any state agency or for a data processing or
21 telecommunications system development project, the state agency
22 or state agencies for which such acquisition is proposed or for which
23 the data processing or telecommunications system development pro-
24 ject is to be undertaken, shall prepare a written needs analysis which
25 has been approved by the secretary of administration. Each needs
26 analysis for a data processing or telecommunications system devel-
27 opment project shall include an analysis of the present system, a
28 requirements definition, a description of the anticipated benefits,
29 project costs and recommendations and supporting data and appen-
30 dices and shall be prepared in accordance with guidelines, standards,
31 policies and procedures prescribed by the secretary of administration
32 in accordance with this section. The secretary of administration shall
33 adopt specific cost thresholds for requisitions and projects for which
34 written needs analyses will be required.

35 (b) Each such needs analysis shall be submitted to the secretary
36 of administration for review and approval. If the secretary of ad-
37 ministration finds that a needs analysis is incomplete or has not
38 otherwise been prepared as required pursuant to this section, it shall
39 not be approved until the deficiencies have been corrected.

40 (c) The secretary of administration shall prescribe guidelines,
41 standards, policies and procedures for needs analyses for acquisition
42 of data processing equipment, ~~[data processing]~~ products or ~~[data pro-~~
43 ~~essing]~~ services, or any combination thereof, or for data processing

or telecommunications

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1 or telecommunications system development projects and for the con-
2 duct, monitoring and evaluation of the data processing or telecom-
3 munications system development projects.

4 (d) The secretary of administration shall monitor the activities
5 and performance of state agencies, vendors, service providers, con-
6 sultants and all other entities involved in each data processing or
7 telecommunications system development project and may stop all or
8 any part of any work under the data processing or telecommuni-
9 cations system development project if the secretary determines such
10 work does not comply with requirements under contracts entered
11 into therefor. If the secretary of administration stops all or any part
12 of any work under a data processing or telecommunications system
13 development project, the secretary may suspend or withhold pay-
14 ments for such work in accordance with such contracts.

15 (e) The secretary of administration shall adopt rules and regu-
16 lations prescribing specific cost thresholds for acquisitions and pro-
17 jects for which written needs analyses will be required and for the
18 administration of this section.

19 New Section 2. (a) Prior to any acquisition of any data processing
20 or telecommunications services equipment, products or services by
21 a state agency, including contracting for any data processing or tel-
22 ecommunications system development project, the state agency shall
23 present each such proposed acquisition, including the data processing
24 and telecommunications budget estimates and needs analyses pre-
25 pared therefor, to the joint committee on computers and telecom-
26 munications as a condition precedent to such acquisition. No state
27 agency shall enter into any contract or other commitment of moneys
28 for the acquisition of any data processing equipment, data processing
29 products or data processing services, or any combination thereof,
30 including contracting for any data processing or telecommunications
31 system development project, for that state agency or any other state
32 agency until the expiration of 30 days after such acquisition has been
33 presented to the joint committee on computers and telecommuni-
34 cations under this section.

35 (b) Any contract entered into on or after the effective date of
36 this act by any state agency for acquisition of any data processing
37 or telecommunications equipment, products or services without such
38 acquisition first being presented to the joint committee on computers
39 and telecommunications in accordance with this section and any such
40 contract which is entered into after such presentation but prior to
41 the expiration of the thirty-day period prescribed by this section are
42 hereby declared to be and are void.

43 (c) The provisions of subsections (a) and (b) of this section do

not apply to the acquisition of any data processing or telecommunications equipment, products or services by a state agency if:

(1) The estimated costs of the acquisition and all related costs associated therewith do not in the aggregate exceed \$5,000 ~~\$100,000~~ ~~[\$25,000 for any fiscal year or]~~ \$100,000 ~~[for the entire acquisition];~~
or

(2) the secretary of administration determines the acquisition is necessary due to the occurrence of an emergency situation and a delay in making such acquisition due to the thirty-day period prescribed by subsection (a) would be detrimental to the efficient operation of state business.

New Sec. 3. Except as otherwise provided therein, as used in sections 1 through 3 and amendments thereto:

(a) "Acquisition" includes any leasing, causing to be leased, purchasing, contracting for, issuing a letter of intent to contract for, or causing to be installed;

(b) "data processing or telecommunications system development project" means any project undertaken to establish, develop, replace or modify any data processing or telecommunications system for one or more state agencies which includes the acquisition, development, replacement, modification, installation, programming or reprogramming of any data processing or telecommunications equipment, products or services, or any combination of such activities for such purpose;

(c) "equipment" includes all computers and other data processing units and auxiliary equipment and all telecommunications equipment;

(d) "needs analysis" means a written report reviewing a proposed acquisition of data processing or telecommunications equipment, products or services or a proposed data processing or telecommunications system development project, which includes (1) a general description of the nature and scope of the acquisition or project, (2) a system requirements definition setting forth a detailed analysis of the present system, the needs and problems of the state agency to be addressed by the acquisition or project, a general statement of system requirements and specifications, and a statement of anticipated benefits to the state agency, [which shall include a cost and benefit analysis of the use or replacement of existing data or records,] and (3) a description and analysis of system design alternatives setting forth alternative solutions, proposed general system design specifications for the alternative solutions, and a cost and benefit analysis of the alternative solutions.

(e) "products" includes all computer, data processing and telecommunications programs and systems and does not include any

1 operations or maintenance supplies;

2 (e) (f) "Services" includes all services that may be required for
3 a data processing or telecommunications system development project,
4 including operating, maintaining, programming, planning, analyzing
5 and consulting services, and includes any of such services that may
6 be required for the data processing or telecommunications operations
7 of a state agency;

8 (f) (g) "state agency" has the meaning ascribed thereto by K.S.A.
9 75-3701 and amendments thereto; and

10 (g) (h) "telecommunications" has the meaning ascribed to tele-
11 communications services by K.S.A. 75-4710 and amendments
12 thereto.

13 Sec. 4. K.S.A. 1992 Supp. 46-2102 is hereby amended to read
14 as follows: 46-2102. In addition to other powers and duties authorized
15 or prescribed by law or by the legislative coordinating council, the
16 joint committee on computers and telecommunications shall:

17 (a) Study the use by state agencies and institutions of computers,
18 telecommunications and information technologies;

19 (b) review new governmental computer hardware and software
20 acquisition, information storage, transmission, *data processing and*
21 *telecommunications technologies, including the costs and financing*
22 *thereof, and proposed acquisitions of data processing or telecom-*
23 *munications equipment, products or services, or any combination*
24 *thereof or any contracts for outsourcing of any data processing or*
25 *telecommunications services or projects, and data processing or tel-*
26 *ecomunications system development projects* by state agencies and
27 institutions, including the *data processing and telecommunications*
28 *budget estimates for implementation of the same and needs anal-*
29 *yses prepared therefor*, and make recommendations thereon to the
30 ways and means committee of the senate and the committee on
31 appropriations of the house of representatives;

32 (c) study the progress and results of all newly implemented gov-
33 ernmental computer hardware and software, information storage,
34 transmission, processing and telecommunications technologies of
35 state agencies and institutions; and

36 (d) make an annual report to the legislative coordinating
37 council as provided in K.S.A. 46-1207 and amendments thereto
38 and such special reports to committees of the house of represen-
39 tatives and senate as are deemed appropriate by the joint committee.

40 Sec. 5. K.S.A. 1992 Supp. 75-3717 is hereby amended to read
41 as follows: 75-3717. (a) As provided in this section, each state agency,
42 not later than October 1 of each year, shall file with the division of
43 the budget its budget estimates, and all amendments and revisions

1 thereof, except as provided for office and storage space reports, in
2 the form provided by the director of the budget. Each agency's
3 budget estimates shall include:

4 (1) A full explanation of the agency's request for any appropri-
5 ations for the expansion of present services or the addition of new
6 activities, including an estimate of the anticipated expenditures for
7 the next fiscal year and for each of the three ensuing fiscal years
8 which would be required to support each expansion of present serv-
9 ices or addition of new services as requested by the state agency;
10 and

11 (2) a listing of all programs of the agency that provide services
12 for children and their families and the following information regarding
13 each such program: Of the amount of the agency's request for ap-
14 propriations to fund the program, that amount which will be spent
15 on services for children or families with children and the number
16 of children or families with children who are served by the program;
17 and

18 ~~(3) a separate section which shall contain the agency's data proc-~~
19 ~~essing and telecommunications budget estimates which shall include~~
20 ~~a full explanation of the agency's request for any appropriations for~~
21 ~~the acquisition of data processing or telecommunications equipment,~~
22 ~~products or services or for any data processing or telecommunica-~~
23 ~~tions system development project projects, for which the aggregate~~
24 ~~amount of such budget estimates exceeds \$100,000.~~

25 (b) On or before July 1 of each year, each state agency shall
26 prepare an office and storage space report as a part of the budget
27 estimate for the next budget period. Each office and storage space
28 report shall be filed with the division of the budget not later than
29 July 1 of each year and shall specify the office and storage space
30 requirements of the state agency for the next budget period and for
31 each of the four ensuing fiscal years.

32 (c) At the same time as each state agency submits to the division
33 of the budget a copy of its budget estimate or its office and storage
34 space report, and all amendments and revisions thereof, each such
35 state agency shall submit a copy of such estimate or such office and
36 storage space report, and all amendments and revisions thereof,
37 directly to the legislative research department for legislative use.

38 (d) The director of the budget shall require the agencies to submit
39 a sufficient number of copies of their budget estimates, and all
40 amendments and revisions thereof, including the office and storage
41 space reports, to the director's office to satisfy the requirements of
42 such office and one additional copy for legislative use which shall
43 be retained in the division of the budget until the budget of the

1 governor is submitted to the legislature. On or before the day that
2 such budget is submitted to the legislature such legislative use copy,
3 posted to reflect the governor's budget recommendations, shall be
4 submitted to the legislative research department for use by the ways
5 and means committee of the senate and the committee on appro-
6 priations of the house of representatives. Following presentation of
7 the governor's budget report to the legislature, the legislative re-
8 search department may request and shall receive detailed information
9 from the division of the budget on the governor's budget
10 recommendations.

11 (e) The director of the budget may prepare budget estimates for
12 any state agency failing to file a request.

13 (f) As used in this section, "services for children and their fam-
14 ilies" includes but is not limited to any of the following services,
15 whether provided directly or made accessible through subsidies or
16 other payments:

17 (1) Financial support for children and families with children or
18 enforcement of the obligation to support a child or a family with
19 one or more children;

20 (2) prenatal care, health care for children or immunizations for
21 children;

22 (3) mental health or retardation services for children;

23 (4) nutrition for children or families with children or nutritional
24 counseling or supplements for pregnant or nursing women;

25 (5) child care, early childhood education or parenting education;

26 (6) licensure or regulation of child care or early childhood ed-
27 ucation programs;

28 (7) treatment, counseling or other services to preserve families;

29 (8) care, treatment, placement or adoption of children without
30 functioning families;

31 (9) services to prevent child abuse and to treat and protect child
32 abuse victims;

33 (10) services for children who are pregnant, substance abusers
34 or otherwise involved in high risk behavior;

35 (11) services related to court proceedings involving children; and

36 (12) youth employment services.

37 Sec. 6. K.S.A. 75-37,102 is hereby amended to read as follows:
38 75-37,102. (a) Upon request of the chief administrative officer of a
39 state agency and subject to the approval of the secretary of admin-
40 istration, the director of purchases may convene a procurement ne-
41 gotiating committee to obtain services or technical products for the
42 state agency.

43 (b) Each procurement negotiating committee shall be composed

1 of:

2 (1) The director of purchases, or a person designated by the
3 director;

4 (2) the chief administrative officer of the state agency desiring to
5 make the procurement, or a person designated by the officer; and

6 (3) the secretary of administration, or a person designated by the
7 secretary.

8 (c) The negotiating committee is authorized to negotiate for the
9 procuring state agency contracts with qualified parties to provide
10 services or technical products needed by the state agency.

11 (d) Prior to negotiating for the procurement, a notice to bidders
12 first shall be published in the Kansas register. Upon receipt of bids
13 or proposals, the committee may negotiate with one or more of the
14 firms submitting bids or proposals and select from among those
15 submitting such bids or proposals the party to contract with to pro-
16 vide the services or technical products.

17 (e) Contracts entered into pursuant to this section shall not be
18 subject to the provisions of K.S.A. 75-3738 through 75-3740a and
19 amendments thereto. Meetings to conduct negotiations pursuant to
20 this section shall not be subject to the provisions of K.S.A. 75-4317
21 through 75-4320a and amendments thereto. The director of purchases
22 shall submit a report at least once in each calendar quarter to the
23 legislative coordinating council and the chairpersons of the senate
24 committee on ways and means and the house of representatives
25 committee on appropriations of all contracts entered into pursuant
26 to this section.

27 (f) Nothing in this section shall be construed as requiring either
28 negotiations pursuant to this section or bids pursuant to K.S.A. 75-
29 3739 and amendments thereto for the procurement of professional
30 services or services for which, in the judgment of the director of
31 purchases, meaningful specifications cannot be determined.

32 (g) ~~A procurement negotiating committee may be convened~~ for
33 acquisition of any data processing or telecommunications equipment,
34 products or services, or any combination thereof, or for a data
35 processing or telecommunications system development project only
36 ~~if a~~ needs analysis has been prepared and approved therefor under
37 section 1 and amendments thereto. All negotiations for any such
38 acquisition or data processing or telecommunications system devel-
39 opment project shall be based upon specifications prepared in ac-
40 cordance with the needs analysis and approved by the secretary of
41 administration. The words and phrases used in this subsection have
42 the meanings ascribed thereto by section 3 and amendments thereto.

43 Sec. 7. K.S.A. 75-4705 is hereby amended to read as follows:

When a needs analysis is required
under section 1

, a procurement negotiating committee
may be convened

after the

1 75-4705. (a) Central processing of data by computer, for all divisions,
2 departments and agencies of the state shall be performed by the
3 division of information systems and communications, under the su-
4 pervision of the secretary of administration. No other division, de-
5 partment or agency of the state shall perform central processing
6 computer functions or control or possess any central processing unit
7 of a computer, except as otherwise provided in this section.

8 (b) With the approval of the secretary of administration *and sub-*
9 *ject to the provisions of sections 1 and 2 and amendments thereto,*
10 any division, department or agency of the state may possess and
11 operate central processing units of a computer if the same are adjunct
12 to the central processing computer unit or units of the division of
13 information systems and communications.

14 (c) Data to be centrally processed by the division of information
15 systems and communications shall be prepared for such processing
16 by the division, department or agency of the state requesting the
17 same to be processed in accordance with rules and regulations
18 adopted by the secretary of administration as provided in K.S.A. 75-
19 4703 and amendments thereto. Programs for processing the data of
20 any division, department or agency of the state shall be prepared
21 by such division, department or agency of the state in accordance
22 with standards prescribed by rules and regulations adopted by the
23 secretary of administration as provided in K.S.A. 75-4703 and amend-
24 ments thereto. Notwithstanding the other provisions of this subsec-
25 tion, the division of information systems and communications shall
26 prepare data or programs, or provide technical consultation, when
27 a division, department or agency of the state requests such service
28 of the division of information systems and communications and the
29 director of information systems and communications, subject to the
30 approval of the secretary of administration, agrees thereto.

31 (d) *(1) Subject to approval by the secretary of administration, the*
32 *division of information systems and communications shall prepare*
33 *and maintain a comprehensive plan to implement the statutes re-*
34 *quiring central processing of data by the division of information*
35 *systems and communications. The comprehensive plan, and all*
36 *amendments thereto and revisions thereof, shall be presented to the*
37 *joint committee on computers and telecommunications. In accordance*
38 *with the comprehensive plan approved by the information systems*
39 *policy board pursuant to K.S.A. 75-4708 and amendments*
40 *thereto, the director of information systems and communications,*
41 *subject to approval by the secretary of administration, shall deter-*
42 *mine all data processing programs, contract services and new data*
43 *processing positions needed by any division, department or agency*

1 of the state. Subject to approval by the secretary of administration,
 2 the director of information systems and communications shall estab-
 3 lish data processing standards to be used by the divisions, depart-
 4 ments and agencies in the state and shall audit the activities of these
 5 units to assure compliance with the standards as well as with gen-
 6 erally accepted principles of data processing practice. Such audits
 7 shall be conducted annually covering data processing applications,
 8 systems development and information processing facilities. The di-
 9 rector of information systems and communications, under the su-
 10 pervision of the secretary of administration, shall review the data
 11 processing budget requests submitted by all divisions, departments
 12 and agencies annually and submit recommendations to the division
 13 of the budget as to the technical and management merit of the
 14 requests. *In making such recommendations the director shall con-*
 15 *sider the following factors: (1) Whether the request is consistent with*
 16 *the comprehensive plan approved under this subsection; (2) whether*
 17 *the request is consistent with present and future needs of the state;*
 18 *(3) the current ability of the state or agency thereof to meet the*
 19 *system demands intended to be satisfied by the request; (4) the*
 20 *reasonably foreseeable future demands on the current system, if any,*
 21 *affected by the request; (5) the economic benefits or adverse impact*
 22 *of recommending the request; (6) alternate methods of meeting the*
 23 *system demands intended to be satisfied by the request; (7) the*
 24 *adequacy of the plan for integration of the requested project into*
 25 *the current system; (8) the availability of resources necessary to*
 26 *finance the request; and (9) such other factors as the director deems*
 27 *relevant.*

28 (e) This section shall not apply to the universities under the
 29 jurisdiction and control of the state board of regents.

30 Sec. 8. K.S.A. 75-4706 is hereby amended to read as follows:
 31 75-4706. (a) No state agency, as defined in K.S.A. 75-3701 and
 32 amendments thereto, shall lease, cause to be leased, purchase, con-
 33 tract for, issue a letter of intent to contract for or cause to be
 34 installed, any data processing equipment, including auxiliary equip-
 35 ment or any data processing programs or systems, without the prior
 36 approval of the secretary of administration or specific legislative au-
 37 ~~thorization and the prior preparation and approval of a needs anal-~~
 38 ~~ysis under section 1 and amendments thereto.~~ The director of
 39 accounts and reports shall not issue any warrant in payment for any
 40 lease or purchase contract for any data processing equipment, pro-
 41 grams and systems acquired without such prior approval or author-
 42 ization. *Each such approval or authorization is subject to the*
 43 *provisions of sections 1 and 2 and amendments thereto.*

if required

if the dollar thresholds in sections 1 and 2
will be exceeded

2-11

(b) All specifications for bids for acquisition of the data processing equipment, including auxiliary equipment and data processing programs and systems, shall be prepared *subject to review* by the director of information systems and communications, under the supervision of the secretary of administration. This subsection shall not apply to universities under the jurisdiction and control of the state board of regents or to the Kansas lottery. *The secretary of administration may waive application of the provisions of this subsection to state educational institutions, as defined by K.S.A. 76-711, and amendments thereto, under the supervision and control of the state board of regents upon request by the state board for such waiver.*

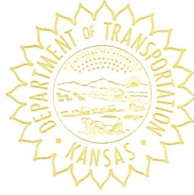
Sec. 9. K.S.A. 75-4707 is hereby amended to read as follows: 75-4707. Notwithstanding the provisions of K.S.A. 75-3738 and 75-3739 and amendments thereto, state agencies using data processing equipment under lease are hereby authorized to enter into contracts with leasing service companies for purchase by the agency of such equipment with nonstate funds furnished by such leasing service companies and transfer of title to such equipment by the agency to such leasing service company for lease back to the agency. Any such contract shall first be approved by the secretary of administration *and is subject to the provisions of sections 1 and 2 and amendments thereto.*

Sec. 10. K.S.A. 75-37,102, 75-4705, 75-4706 and 75-4707 and K.S.A. 1992 Supp. 46-2102 and 75-3717 are hereby repealed.

Sec. 11. This act shall take effect and be in force from and after its publication in the ~~Kansas register~~

if the dollar thresholds in sections 1 and 2 will be exceeded,

statute book



Michael L. Johnston
Secretary of Transportation

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Joan Finney
Governor of Kansas

SENATE COMMITTEE ON WAYS AND MEANS
HOUSE BILL NO. 2538
As Amended by House Committee of the Whole

April 6, 1993

Mr. Chairman and Committee Members:

Mr. Chairman and members of the Committee, I am Mike Lackey, Assistant Secretary and State Transportation Engineer. On behalf of the Department of Transportation I am here to address administrative concerns with House Bill 2538.

New Section 2 requires that many acquisitions of data processing or telecommunications equipment, products, or services by a state agency be presented to the Joint Committee on Computers and Telecommunications prior to the acquisition.

KDOT believes that delays in the acquisition process could be prevented if the time of the Legislative review was prior to the appropriation process rather than the actual acquisition. Not only would it prevent administrative delays in carrying out what has been authorized by the Legislature, it could provide useful information for consideration in the appropriation process. This could be accomplished by adding a third exemption for acquisitions previously presented to the Committee and not rejected by the Legislature.

Because of the high cost of computer and telecommunication equipment and services it is also suspected that a \$25,000 threshold could result in an unwieldy number of items presented to the Committee. There could also be reluctance to consider that acquisition of some individual items under \$25,000 are really part of a much larger program. Therefore, KDOT suggests that the \$100,000 threshold established by the House Committee is more workable than the \$25,000 amount established by the House Committee of the Whole.

SWAM
April 6, 1993
Attachment 3