

Approved: 2-3-94

Date

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS.

The meeting was called to order by Chairperson Marvin Smith at 9:00 a.m. on February 2, 1994 in Room 521-S of the Capitol.

All members were present except:

Committee staff present: Carolyn Rampey, Legislative Research Department  
Dennis Hodgins, Legislative Research Department  
Julian Efird, Legislative Research Department  
Arden Ensley, Revisor of Statutes  
Nancy Kippes, Committee Secretary

Conferees appearing before the committee:

Representative Robert Miller, Speaker of the House  
Elwaine Pomeroy, Member, Advisory Committee on Uniform State Laws  
Representative Gary Hazlett, Chair, Joint Committee on Computers and Telecommunications  
Jerry Slaughter, Executive Director, Kansas Medical Society

Others attending: See attached list

Action on:

HB 2674 - elections; board members and voting booths.

Representative Wootten made a motion to pass favorably HB 2674. Representation Cox seconded. Motion carried.

HB 2702 - prohibits legislators from lobbying within one year following term of office.

Representative Mills made a motion to add the word appointed to line 23 to indicate a term to which an individual was elected or appointed. Representation Scott seconded. Motion carried.

After discussion, it was the consensus of the committee to pass over HB 2702 in order to gather further information.

HB 2596 - KPERS, confirmation and investigation of members of board of trustees, review of information.

Arden Ensley, Legislative Revisor, provided explanation of HB 2596, stating the bill does not expand who sees Kansas Bureau of Investigations reports on prospective members to the KPERS Board, but in fact restricts by limiting to Chair and Ranking Minority Member those who view the report. He pointed out that in 1992 the law was enacted providing the Joint Committee to view reports.

Representative Macy made a motion to pass the bill favorably. Representative Wells seconded.

An amendment to insure the Joint Committee meet in closed or executive meeting if necessary to review any KBI report was included in the above motion.

Representative Bradley made a motion to add a felony level 10 offense penalty if information contained in any KBI report is disclosed. Representative Ballard seconded. Motion carried after a show of hands, 9-5. Representative Hendrix is recorded as voting no.

After lengthy discussion, Representative called for the question and HB 2596 was passed as amended.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS, Room 521-S Statehouse, at 9:00 a.m. on February 2, 1994.

Hearing on:

HB 2682 - abolishing the Kansas Commission on Interstate Cooperation and providing for the membership, meetings and powers and duties of certain statutory committees.

Speaker of the House Bob Miller provided written testimony (Attachment 1) in support of HB 2682. After standing committee meetings during this past interim, it was noted that more was accomplished by these meetings than has been with the Joint Committees meetings. The purpose of the standing committee meetings was to have debate-ready bills when the 1994 Legislature convened and this did occur. After considerable review by the Legislative Coordinating Council, it became apparent that the Joint Committees had failed to be productive over recent years. This bill calls for Health Care Decisions for the 90's to sunset at the end of this year, would abolish the Health Care Stabilization Fund Oversight Committee, the Computer and Telecommunications Committee, the Arts and Culture Committee, the Economic Development Committee, and the Kansas Commission on Interstate Cooperation and the Interstate Cooperation Committee. The standing committees were under budget and the Joint Committees were over budget, thus accounting for the fact more money was spent during this interim than previously. He stated the Joint Committees can easily be replaced by the work of standing committees in both chambers. Speaker Miller encouraged the committee to look at committees not on the list and consider them for elimination.

Elwaine Pomeroy, Member of the Advisory Committee on Uniform State Laws, in written testimony described the duties of that committee and some of the results of their meetings (Attachment 2).

Representative Hazlett, Joint Committee on Computers and Telecommunications Chair, testified in opposition to HB 2682 (Attachment 3), stating that since this committee has been interested in "reinventing government" and finding more cost efficient and effective ways of bringing government services to the people that they consider the innovative nature of the Joint Committee on Computers and Telecommunications which breaks the mold of the older, more traditional standing committees of the Legislature, and which offers an opportunity to confront a subject matter which no other standing or joint committees of the Legislature have either the time, or the knowledge, to take on issues.

Jerry Slaughter, Kansas Medical Society, appeared to offer an amendment to HB 2682 that would continue the Health Care Stabilization Fund Oversight Committee inasmuch as that committee serves a valuable function and basically could be funded with state monies (Attachment 4).

Hearing on HB 2682 was continued to a later time so that the committee could ask questions of the conferees.

Chairman Smith announced a subcommittee on Commerce and Housing to be Representative Dawson as chair, Representative Gilbert, Representative Mills, Representative Scott and Representative Wells.

Representative Gilbert made a motion to approve the minutes of February 1, 1994 as submitted. Representative O'Connor seconded. Motion carried.

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for February 3, 1994.

GUEST LIST

COMMITTEE: House Governmental Organization & Elections DATE: 2-2-94

[illegible]

TESTIMONY ON  
JOINT COMMITTEE REDUCTION BILL  
GOVERNMENTAL ORGANIZATION AND ELECTIONS COMMITTEE  
February 2, 1994, Topeka Kansas  
By Robert Miller

My institutional memory dates to January 1971. Since that time I have seen government reform come and go in many shapes and sizes. Some have been real reforms and some have not. Some reforms are attempted and discarded because they did not work. Others are attempted, refined and continued for the betterment of the system and the people of the state.

My active participation in Legislative leadership began in December 1988. I noted the rapid decline and failure of the interim committee system and - at the same time - the rapid growth in the numbers of Joint House and Senate Committees.

Neither of these changes appeared to be planned, organized or intended. They were simply occurring. Pressure from many groups, organizations, and legislators with special interests in special topics was a prime factor in the creation and growth of the Joint Committees and also in the creation of many other special statutory committees, boards and commissions on which Legislators serve as members. Because Legislative Leadership was not resisting these types of pressures, the traditional interim committees were becoming a dumping ground for meaningless studies and endless reexaminations of subjects that no one really wanted any action on.

Interim committees had become the place to park bills as a favor someone, or to avoid a touchy political hot potato. These interim committees were doubly ineffective because even if they did make rare recommendations for a bill, the entire study would be repeated by both House and Senate Regular Committees during a regular session. The Joint Committees fared little better. While they do introduce some legislation, the bills still need full hearings and study during a regular session. The costs of these two activities were spiraling ever higher; the number of Legislative working days was increasing astronomically; the public was receiving no real benefit.

When I was elected Speaker in December 1992, one of my first actions was to hand-pick a team of House and Senate leaders to review the committees and activities. I asked them to create a hit list of things to eliminate in the hope of having a bill introduced in the 1993 Legislature. With so many freshmen

*House Gov't. Org. & Elections*  
*February 2, 1994*  
*Attachment 1*

members of the House and Senate, it seemed that the best time to eliminate some of the institutional joint committees was when none of these new people knew of them and before new members had developed a fondness for a specific topic or pet project. Unfortunately, the task of just reviewing the committees was difficult and time consuming.

The enabling legislation for these joint committees is scattered across dozens of statutes. After a few weeks it was clear that such a bill would not arrive in 1993 and a decision was made to ask the Legislative Coordinating Council to look at reductions and reform.

This came about in two phases. The first phase was to restructure the 1993 interim committee schedule. Instead of having special interim committees of the House and Senate, narrowly focused on one specific issue - with the result being that NOTHING productive would come out - the LCC agreed to do away with those and to replace them with meetings of each standing committee of the House and Senate.

These committees were empowered to introduce new legislation, to work those bills, and to then prefile for floor debate. The subject matter was unrestricted with each committee chairman empowered to discuss and debate any issue, and to use from zero to four days.

The hope of the LCC was that the committees would produce bills that were debate-ready and that would allow us to get off to a fast start in 1994. After 1990, 1991, and 1992, the citizens of Kansas were tired of hearing about 100 plus days. Because of bi-partisan cooperation, organization between the House and Senate, and aggressive rules changes, we were able to adjourn in 91 days in 1993. A success, yes, but not 90 days. In order to do our business in the legally required 90 calendar days, even more dramatic changes were needed. By having these committees meet and work, we hoped, and now believe we can keep to our 90 day limit. At about \$60,000 a day during the session, it only takes a couple of days to save real money. The summer Committees of the House of Representatives have exceeded all my expectations. Everyone of you was involved in making this 1994 session fast start possible. We have worked a remarkable number of bills in a very short time. In fact, you have to go back 22 years before you find a Legislature that did more in January than we did this first month.

Together, we did more in January this year than in the last ten Januarys combined. You should be proud. The committee system of interim 1993 was a huge success.

HOWEVER, as you know, many legislators in both parties, in both chambers, had legitimate complaints that they were too busy with Legislative activities. Between the standing committee meetings, the Joint Committee

meetings, the numerous board and commissions meetings, and the smaller, traveling Blue Highways committees, there was too much going on. I recognize that. It was an unintended side effect of trying to do something new in a more effective and efficient way. The problem was especially noted among Senate Democrats.

Their small numbers plus the large number of Senate committees and large number of Joint Committees, really put them in a box. Many Senators are members of five, six or seven committees of these types, as opposed to House members who are typically on three or four total committees.

I stand affirmed that the interim Standing Committees of 1993 were effective, efficient and productive additions to the Kansas Legislature. The total number of bills worked in the House so far from interim committee activity is counted near 100. But I stand equally disappointed with the failures of the Joint Committees of the House and Senate. The total number of bills worked in the House from the Joint Committees is zero.

This is why you have House Bill 2682 before you today. As the summer of 1993 progressed, it became apparent to the LCC that these Joint Committees have failed to be productive over recent years and that their time has come.

The second phase of reforms I mentioned is that a sub-committee of the LCC - myself, Senate President Burke, and Senate Minority Leader Karr - worked for six months to make this recommendation for reductions. There was much discussion about all the Joint Committees and those not included in this bill were considered for inclusion. I was in the minority on the subcommittee in my preference for including many more of the Joint Committees.

While, after one year and one month of hard work toward reducing Joint Committees, I am pleased there is finally something for you to look at, I believe that this committee can go farther, and gain even more in Legislative efficiency by putting more Joint Committees on the list for elimination.

As written, this bill calls for Health Care Decisions for the 90's to sunset at the end of this year; would abolish the Health Care Stabilization Fund Oversight Committee, the Computer and Telecommunications Committee, the Arts and Culture Committee, the Economic Development Committee, and the Kansas Commission on Interstate Cooperation and the Interstate Cooperation Committee.

It would shrink the Committee on Claims Against the State by more than half. The bill would require LCC approval for the remaining Joint Committees to meet, thus increasing control over the costs, and additionally would make the remaining committees consistent in their terms and in their selection of chairs and vice chairs.

As evidence to support this case for reductions in joint committees, consider this: The new interim standing committees produced almost 100

pieces of legislation that were worked either on the House floor or in House Committees this January. These committees cost about \$230,000 to conduct, and involved ALL members of the Legislature in the process.

In comparison, all the Joint Committees combined produced ZERO pieces of Legislation that have been worked on the floor or in committees of the House in January. These Joint Committees cost about \$240,000 to conduct and EXCLUDED many members from the process.

When the LCC approved the interim committee schedule of activities, it was based on the best possible Joint Committee cost estimates, the best possible standing committee cost estimates, and the best possible Blue Highways cost estimates. The standing committees were budgeted for \$355,922. As already mentioned, the actual costs were about \$230,000 - \$125,000 UNDER budget.

The Blue Highways were budgeted for \$17,475. Actual costs were about \$14,400 - \$3,000 UNDER budget. Joint Committees were budgeted for \$215,000. Actual costs, were about \$240,000, or \$25,000 OVER budget.

There has been some political rhetoric about the cost of the interim committees. I accept that. I am a big boy. We did spend more money than in any previous interim. But I also point out that had the Joint Committees come in on budget, we would have not obtained that distinction. I also point out that the result of the 1993 interim activity has been that about 100 pieces of legislation have been introduced, worked in committee, killed by committee, or debated and passed in the House.

Had we been under the old system, we would have spent as much or more due to inflation, and would have received NO BENEFIT.

I recognize that this bill will step on the toes of some who enjoy working on their favorite subject matter, or who are in line to serve as the chairman, and do not want to lose the title from their letterhead. Included in this bill is the Interstate Cooperation Committee, which I chair. I believe in putting up or shutting up. The ICC was the first committee I recommended for abolition. I know that other chairs also support this bill.

Members of the Governmental Organization and Elections Committee:  
The proof is in the pudding.

The Joint Committees of the Kansas Legislature have outlived their original purpose and value and should suffer extinction at your hands. They can easily be replaced by the work of standing committees in both chambers. I encourage you to take a look at the committees not on this list and strongly consider them for elimination. Then recommend HB 2682 favorably for passage and send it for debate in the House.

# MEMORANDUM

TO: GOE COMMITTEE MEMBERS

FROM: Bob Miller

RE: COSTS OF JOINT COMMITTEES

DATE: February 2, 1994

As of 12/16/93, the following were the costs of the various Joint Committees of the House and Senate (figures are rounded to the dollar):

Arts and Cultural Resources	\$6,374
State Building Construction	\$9,954
Children and Families	\$23,159
Claims	\$34,561
Computers and Telecommunications	\$16,105
Economic Development	\$15,477
Health Care Decisions for the 90's	\$22,402
Legislative Budget	\$10,272
Pensions, Investments and Benefits	\$24,959
Rules and Regulations	\$29,728
Legislative Educational Planning Committee	\$28,071

## NOTE:

This list only includes the **official** Joint Committees. They have only Representatives and Senators members. There is a whole other category of committees that includes Legislators, citizens, and other government officials. These typically have sunsets and the intent is that all will soon expire naturally. They include The Community College and Vocational School Task Force; the Flooding Task Force; the School District Finance Task Force; and the 403 Commission, as examples.



REMARKS CONCERNING HOUSE BILL 2682  
HOUSE GOVERNMENTAL ORGANIZATION AND ELECTIONS COMMITTEE  
FEBRUARY 2, 1994

I am Elwaine F. Pomeroy, and I am presently a member of the advisory committee on uniform state laws, which is described in new section 2 of the bill. New section 2 of the bill closely parallels the present statute, 46-407a. For your convenience, I have copied that existing statute and some related statutes, in the attachment to my remarks.

The national conference of commissioners on uniform state laws was formed on August 24, 1892, when representatives from seven states met to form the organization. Kansas became a member the following year, in 1893, and has been active since that date. By 1912, every state was participating. The national conference of commissioners on uniform state laws is a confederation of state interests. It arose out of the concerns of state government for the improvement of the law and for better interstate relations. Its sole purpose has been, and remains, service to state governments and improvements of state laws.

The national conference is convened as a body once a year. It meets for a period of eight days. These are working sessions, with the morning sessions beginning at 8:30 and continuing until noon, and the afternoon sessions beginning at 1:30 and continuing until at least 5:00. Often times there are at least one or two evening meetings, which begin at 7:30 and continue until 9:30 or 10:00. Usually the annual meetings begin on Friday, and continue through the following Friday. That working schedule is followed throughout the eight days, except that we normally do not meet on Sunday afternoon. In the interim period between the annual meetings, drafting committees composed of commissioners meet to supply the working drafts which are considered at the annual meeting. At each annual meeting, the drafts are considered, not by having a member explain what is in the draft, but by the actual reading of the draft, section by section, word by word. After each section

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has been read, the floor is open for debate, consideration and amendment. Each act must be considered and debated at at least two annual meetings.

A staff located in Chicago operates the national office. The national office handles meeting arrangements, publications, and general administration for the conference. The total staff numbers seven people.

Liaison is maintained with the American Law Institute, the Council of State Governments, and the National Conference of State Legislatures.

The Kansas commissioners are Richard C. Hite from Wichita, John Hayes from Hutchinson, myself, from Topeka, and the chairs of the House and Senate Judiciary Committees. In addition, Glee Smith from Larned and Paul L. Wilbert from Pittsburg are life members. We are proud of the fact that Richard C. Hite is beginning a two-year term as president of the national conference.

The conference is supported by the member states, and the dues are based on a population basis. The Kansas dues for 1993-94 were \$12,600.00; for 1994-95, the Kansas dues will be \$13,300.00.

The individual states pay the expenses of the members to the annual meeting. The 1994 annual meeting will be held in Chicago. The 1995 annual meeting will be held in Kansas City, Missouri.

In between the annual meetings, the drafting committees meet to consider changes that had been suggested during the floor debate of the prior year, or work on drafts that have not yet been presented at an annual meeting. The travel expenses for the drafting committees are paid by the conference, not by the individual states. Members of the drafting committees receive no compensation for their work on the drafting committees. The drafting committees normally meet for three days at a time, usually on a Friday, Saturday and Sunday.

The work product of the national conference that is best known is probably

the Uniform Commercial Code. Other uniform acts which have been adopted in Kansas include: Uniform Alcoholism and Intoxication Treatment Act

Uniform Anatomical Gift Act

Uniform Arbitration Act

Uniform Attendance of Out of State Witnesses Act

Uniform Certification of Questions of Law Act

Uniform Child Custody Jurisdiction Act

Uniform Common Trust Fund Act

Uniform Conservation Easement Act

Uniform Consumer Credit Code

Uniform Controlled Substances Act

Uniform Crime Victims Reparations Act

Uniform Declaratory Judgments Act

Uniform Enforcement of Foreign Judgments Act

Uniform Rules of Evidence

Uniform Federal Lien Registration Act

Uniform Limited Partnership Act

Uniform Management of Institutional Funds Act

Uniform Mandatory Disposition of Detainers Act

Uniform Notarial Acts

Uniform Parantage Act

Uniform Partnership Act

Uniform Photographic Copies as Evidence Act

Uniform Premarital Agreements Act

Uniform Principal and Income Act

Uniform Testamentary Additions to Trusts Act

Uniform Simultaneous Death Act

Uniform Statutory Rule Against Perpetuities Act

Uniform Trustees' Powers Act

Uniform Durable Power of Attorney Act

Uniform Reciprocal Enforcement of Support Act

Uniform Residential Landlord and Tenant Act

Uniform Simplification of Fiduciary Security Transfers Act

Uniform Trade Secrets Act

Uniform Transfers to Minors Act

Included among the commissioners from various states at the present time are practicing lawyers, trial judges, appellate judges, the chief justices of the supreme court from three states, federal judges, law professors, and deans of law schools. However, the only title used for any of the commissioners is simply "commissioner".

**46-312.**

History: L. 1933, ch. 207, § 12; Repealed, L. 1971, ch. 184, § 42; May 1.

Revisor's Note:

Later act, see 46-1208.

**46-313, 46-314.**

History: L. 1947, ch. 294, §§ 1, 2; Repealed, L. 1971, ch. 184, § 42; May 1.

Revisor's Note:

Later act, see 46-1208.

**46-315.**

History: L. 1947, ch. 294, § 3; Repealed, L. 1957, ch. 299, § 1; June 29.

#### Article 4.—INTERSTATE COOPERATION COMMISSION

**46-401.** Senate committee on interstate cooperation; membership; chairperson. There is hereby established a standing committee of the senate known as the senate committee on interstate cooperation which shall consist of seven members of the senate. Six members of the committee shall be appointed in the same manner as members of other standing committees of the senate. The president of the senate, or another senator of the same party designated by the president, shall be a member and chairperson of the committee.

History: L. 1941, ch. 271, § 1; L. 1973, ch. 157, § 21; L. 1974, ch. 218, § 1; L. 1978, ch. 200, § 3; L. 1985, ch. 177, § 1; March 21.

Research and Practice Aids:

States ⇐ 34.

C.J.S. States §§ 42, 45-47.

#### CASE ANNOTATIONS

1. Mentioned in holding Kansas Turnpike Authority Act (68-2001 to 68-2020) valid. State, ex rel., v. Kansas Turnpike Authority, 176 K. 683, 694, 273 P.2d 198.

**46-402.** House committee on interstate cooperation; membership; chairperson. There is hereby established a standing committee of the house of representatives known as the house committee on interstate cooperation which shall consist of seven members of the house of representatives. Six members of the committee shall be appointed in the same manner as members of other standing committees of the house of representatives. The speaker of the house of representatives, or another member of the house of representatives of the same political party designated by the speaker, shall be a member and chairperson of the committee.

History: L. 1941, ch. 271, § 2; L. 1973, ch. 157, § 22; L. 1974, ch. 218, § 2; L. 1978, ch. 200, § 4; L. 1991, ch. 151, § 1; April 25.

**46-403.** Governor's committee on interstate cooperation; membership; chairman. There is hereby established a committee of administrative officials and employees of this state to be officially known as the governor's committee on interstate cooperation which shall consist of six (6) members. Its members shall be: The secretary of administration, ex officio; the attorney general, ex officio; the director of the budget and two (2) administrative officials or employees to be designated by the governor. The governor shall also be a member of the committee and may serve as chairman or may appoint one of the other members of the committee as its chairman.

History: L. 1941, ch. 271, § 3; L. 1953, ch. 252, § 1; L. 1973, ch. 157, § 23; L. 1974, ch. 218, § 3; Jan. 13, 1975.

**46-404.** Kansas commission on interstate cooperation; membership; chairperson, vice-chairperson and secretary designated. There is hereby established the Kansas commission on interstate cooperation. This commission shall be composed of the seven members of the senate committee on interstate cooperation, the seven members of the house committee on interstate cooperation and the six members of the governor's committee on interstate cooperation. In odd-numbered years, the chairperson of the house committee on interstate cooperation shall be chairperson of the commission and the chairperson of the senate committee on interstate cooperation shall be vice-chairperson thereof. In even-numbered years, the chairperson of the senate committee on interstate cooperation shall be chairperson of the commission and the chairperson of the house committee on interstate cooperation shall be vice-chairperson thereof. At any meeting at which the chairperson is unable to be present, such officer may appoint another legislator of the same house and party to serve as a member of the commission in such officer's place but the member so appointed shall not act as chairperson or vice-chairperson thereof. The revisor of statutes shall serve as secretary of the commission.

History: L. 1941, ch. 271, § 4; L. 1973, ch. 157, § 24; L. 1974, ch. 218, § 4; L. 1978, ch. 200, § 5; L. 1983, ch. 174, § 1; L. 1985, ch. 177, § 2; March 21.

## CASE ANNOTATIONS

1. Mentioned in holding Kansas Turnpike Authority Act (68-2001 to 68-2020) valid. State, ex rel., v. Kansas Turnpike Authority, 176 K. 683, 694, 273 P.2d 198.

**46-405. Functions and terms of senate committee and house committee; term of governor's committee.** The standing committees of the senate and the house of representatives established under the provisions of this act shall function during the regular sessions of the legislature and also during the interim periods between such sessions and their members shall serve until their successors are appointed. The incumbency of each administrative member of this commission appointed by the governor shall extend until the first day of February next following their appointment, and thereafter until their successor is appointed.

**History:** L. 1941, ch. 271, § 5; L. 1974, ch. 218, § 5; L. 1983, ch. 174, § 2; July 1.

**46-406. Function of commission.** It shall be the function of this commission:

(a) To carry forward the participation of this state as a member of the council of state governments;

(b) to carry forward the participation of this state as a member of the national conference of state legislatures;

(c) to encourage and assist the legislative, executive, administrative and judicial officials and employees of this state to develop and maintain friendly contact by correspondence, by conference, and otherwise, with officials and employees of the other states, of the federal government, and of local units of government; and

(d) to endeavor to advance cooperation between this state and other units of government whenever it seems advisable to do so by formulating proposals for, and by facilitating: (1) The adoption of compacts; (2) the enactment of uniform or reciprocal statutes; (3) the adoption of uniform or reciprocal administrative rules and regulations; (4) the informal cooperation of governmental offices with one another; (5) the personal cooperation of government officials and employees with one another, individually; (6) the interchange and clearance of research and information, and (7) any other suitable process.

**History:** L. 1941, ch. 271, § 6; L. 1983, ch. 174, § 3; July 1.

Research and Practice Aids:

States 34.

C.J.S. States §§ 42, 45-47.

**46-407. Establishment of delegations and committees; rules; advisory boards.** The com-

mission may establish such delegations and committees as it deems necessary and advisable to perform the duties and functions required under the provisions of this act. Subject to the approval of the commission, the member or members of each such delegation or committee shall be appointed by the chairman of the commission, except as otherwise provided by law. State officials or employees who are not members of the commission on interstate cooperation may be appointed as members of any such delegation or committee, but private citizens holding no governmental position in this state shall not be eligible except as delegates to the national conference of commissioners on uniform state laws. The commission may provide such other rules as it considers appropriate concerning the membership and the functioning of any such delegation or committee. The commission may provide for advisory boards for itself and for its various delegations and committees, and may authorize private citizens to serve on such boards.

**History:** L. 1941, ch. 271, § 7; L. 1947, ch. 293, § 2; L. 1974, ch. 218, § 6; Jan. 13, 1975.

**46-407a. Advisory committee on uniform state laws; duties; Kansas representatives to national conference of commissioners on uniform state laws; membership; compensation, expenses and allowances.** There is hereby established an advisory committee to the Kansas commission on interstate cooperation. Such committee shall be composed of five members. Three of such members shall be members of the Kansas bar to be appointed by the commission with the advice of the president of the bar association of the state of Kansas and the incumbency of each such member of the committee shall extend until the first day of February of the odd-numbered year following appointment and thereafter until a successor is appointed. The other two members shall be the chairpersons of the house and senate standing committees on judiciary, except that each such chairperson may appoint another member of the committee on judiciary of the same house who is an attorney to serve as a member in lieu of such chairperson for such member's then current term as a legislator. The members of such committee shall be the official representatives or delegates of the state of Kansas to the national conference of commissioners on uniform state laws. Such committee shall account to and advise with the Kansas commis-

sion on interstate cooperation and it shall be its duty to investigate and consider the advisability or uniformity of the laws of the several states and to make recommendations on all subjects where uniformity may be desirable and practical. Such committee shall report to the Kansas commission on interstate cooperation from time to time on its activities and make such recommendations as it deems advisable for appropriate legislation. Members of the committee shall be paid compensation and travel expenses and subsistence expenses or allowances for attendance at meetings of the committee as authorized by K.S.A. 75-3212. Any person who by reason of membership on such committee has been accredited by the national conference of commissioners on uniform state laws as a life member of that organization shall be an associate member of the committee and shall receive the same travel expenses and subsistence expenses for attendance at meetings as regular members of the committee, but shall receive no per diem compensation. Whenever any regular member of the committee shall be so accredited by the national conference of commissioners on uniform state laws, such member shall thereupon become an associate member and a vacancy shall exist in the regular membership of the committee. Such vacancy shall be filled by appointment by the commission with the advice of the president of the bar association of the state of Kansas. All amounts authorized under this section shall be paid by the Kansas commission on interstate cooperation.

**History:** L. 1947, ch. 293, § 1; L. 1968, ch. 208, § 9; L. 1974, ch. 218, § 8; L. 1975, ch. 274, § 1; L. 1979, ch. 165, § 1; L. 1983, ch. 174, § 4; July 1.

**Law Review and Bar Journal References:**

Kansas experience with uniform state laws, Paul L. Wilbert, 6 K.L.R. 338, 340, 342 (1958).

**46-408.** Commission; reports; compensation, expenses and allowances; expenditures; participation with other states in council of state governments, national conference of commissioners on uniform state laws and national conference of state legislatures. The commission shall report to the governor and to the legislature at such times as it deems appropriate. Its members, except the governor's committee, and the members of all delegations and committees which it establishes shall receive compensation and travel expenses and subsistence expenses or allowances for at-

tendance at meetings of the commission authorized by the chairperson or the commission as provided in K.S.A. 75-3212 and amendments thereto. The secretary shall receive travel expenses and subsistence expenses as provided in K.S.A. 75-3212 and amendments thereto for attendance at meetings, but shall receive no per diem compensation. Members of the governor's committee shall receive travel expenses and subsistence expenses or allowances as provided in K.S.A. 75-3212 and amendments thereto which shall be paid by the respective departments of such members. The commission may incur such expenses as may be necessary for the proper performance of its duties, and it may by contributions: (a) To the council of state governments, participate with other states, in maintaining the council's district and central secretariats, and its other governmental services; (b) to the national conference of commissioners on uniform state laws, participate with other states, in maintaining and conducting the services of the national conference; and (c) to the national conference of state legislatures, participate with other states in the maintenance and conduct of the programs and services of the conference.

**History:** L. 1941, ch. 271, § 8; L. 1947, ch. 293, § 3; L. 1949, ch. 423, § 19; L. 1968, ch. 208, § 10; L. 1974, ch. 218, § 7; L. 1983, ch. 174, § 5; July 1.

**Law Review and Bar Journal References:**

Kansas experience with uniform state laws, Paul L. Wilbert, 6 K.L.R. 338, 342 (1958).

**46-409.** Title of committees and commission. The committees and the commission established by this act shall be informally known, respectively, as the senate cooperation committee, the house cooperation committee, the governor's cooperation committee and the Kansas cooperation commission.

**History:** L. 1941, ch. 271, § 9; April 10.

**46-410.**

**History:** L. 1941, ch. 271, § 10; Repeated, L. 1951, ch. 308, § 1; June 30.

**46-411.** Invalidity of part. If any clause or other portion of this act is held to be invalid, that decision shall not affect the validity of the remaining portions of this act. The legislature hereby declares that all such remaining portions of this act are severable, and that it would have enacted such remaining portions if the

Report of the  
Joint Committee on Computers  
and Telecommunications  
to the  
1994 Kansas Legislature

**Chairperson**  
Representative Gary K. Hayzlett

**Vice Chairperson**  
Senator Todd Tiahrt

**OTHER LEGISLATIVE MEMBERS**

Representative Jim Morrison  
Representative George Dean

Senator Steve Morris  
Senator William Brady

*House Gov't Org. & Elections*  
*February 2, 1994*  
*Attachment 3*



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## JOINT COMMITTEE ON COMPUTERS AND TELECOMMUNICATIONS

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The Joint Committee on Computers and Telecommunications (JCCT) was established in 1992 by K.S.A. 46-2101 et seq., which provides for its duties and authorizes the Committee to introduce legislation. The JCCT has authority to determine its own agenda and to meet upon the call of its Chair. Topics and proposals also may be referred to the JCCT by the Legislative Coordinating Council (LCC). The four main duties assigned the JCCT by its authorizing legislation include:

- studying computers, telecommunications, and information technologies used by state agencies;
- reviewing proposed new acquisitions, including budget estimates, and making recommendations to the Legislature;
- monitoring newly implemented technologies; and
- making reports to legislative committees as deemed appropriate and introducing legislation.

The JCCT is one of four such joint legislative committees nationally. Two of those committees, the Florida Legislative Information Technology Resource Committee and the Oregon Joint Committee on Information Management and Technology (formerly called the Joint Committee on Data Processing), preceded the Kansas enactment by nearly a decade. However, Wisconsin recently established a Joint Committee on Information Policy about the same time the Kansas entity was created.

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### SUMMARY OF TOPICS REVIEWED DURING THE 1993 INTERIM

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#### Current Procedures and Statutes

The Committee heard from the Director of the Budget and the Director of the Division of Information Systems and Communications (DISC) about current procedures for budgeting and planning associated with information technology. The Secretary of Administration and a Boeing executive presented proposals generated by the information systems management team working on the reinventing Kansas government project. The preliminary recommendations suggested by the team, but not yet ratified by the executive committee nor the Governor, would alter some current procedures in state government and would provide for a change in structure of how state agencies plan, budget, and implement their information technology systems.

Proposed legislation, 1993 H.B. 2538 which was left in Conference Committee at the end of the 1993 Session, was discussed. The Committee reviewed the House and Senate versions of this bill since each incorporates certain provisions which the Committee has considered previously. The Committee was concerned about the timeliness of data submitted as part of the budget process and the information technology plans since the due dates of September 15 were too late for the JCCT to have a comprehensive review of proposed new projects. The JCCT recommends introduction of three bills which would implement the following:

- Institute a five-year information technology planning requirement and require submission of multiyear budget estimates for information technology projects costing \$250,000 or more.
- Formalize standard review procedures for approving the acquisition of information technology goods and services costing more than \$50,000 in any fiscal year or more than \$250,000 over several fiscal years.
- Prohibit vendors who perform needs analysis from bidding on subsequent projects which are recommended in the analysis.

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## Review of Agency Plans and Budgets

The JCCT reviewed specific information technology plans and budgets for FY 1994 and FY 1995 in which agencies requested new or continued development of major projects.

**1. DOA Projects.** Previously, 1992 H.C.R. 5050 directed the Secretary of Administration to complete a needs analysis before undertaking further development of a new personnel and payroll system for the state. The resulting study estimated that cost of implementing a new system could reach \$15 million. The JCCT has monitored further developments in this newest project associated with the Kansas Financial Information System (KFIS). In addition, the Committee reviewed information about a proposed \$2.5 million central imaging system to serve various state agencies.

**2. DOR Projects.** 1993 S.B. 415 directs the JCCT to review any request for proposals, prior to the Secretary of Revenue seeking a contractor to assist in developing a new integrated tax collection system. The Committee heard reports from the Secretary of Revenue, but was told that a request for proposal would not be submitted until 1994. No cost estimate has been developed for this project. In addition, the Committee reviewed the Computer Assisted Mass Appraisal (CAMA) software system used by the counties and state since the mid-1980s. No cost estimate has been developed for replacing CAMA, if that option were adopted.

**3. SRS Projects.** Two proposed projects have been picked by the Committee for monitoring since the estimated collective costs exceed \$40 million for developing and implementing both new projects. The Secretary of Social and Rehabilitation Services (SRS) reported on both projects. The Committee recommends introduction of a bill which would:

- appropriate state matching funds for SRS to undertake a comprehensive, agencywide information management plan study focusing on integration of current and proposed computer systems and applications.

**4. DOT Projects.** Three proposed projects have been selected by the Committee for monitoring since the estimated collective costs may reach \$10-12 million. The Assistant Secretary of Transportation reported on the project plans.

**5. Regents Matters.** The Committee reviewed a proposed FY 1995 \$3.5 million initiative involving the libraries under the State Board of Regents. The library project will cost an estimated \$21.0 million over its six-year implementation period, with funding built into the base budget of the Regents institutions. Several other subjects, including purchases off of the state personal computer contract and computer-related activities at the Regents campuses, were reviewed.

**6. Judicial Branch.** An update was provided to the Committee on the five-year plan which was submitted to the JCCT last year. Replacement of computer equipment in the Judicial Center began in FY 1994, with a multiyear cost estimate of almost \$1.9 million.

**7. Legislative Computing.** An update was provided by the Director of Legislative Computing who noted that the three phases of installing the legislative microcomputer network have been completed and that planning for the next two to five years is underway.

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## Interactive Video and Telecommunications

A final report from the Governor's Task Force on Telecommunications, chaired by Dean James Gould of Fort Hays State University, was presented during the 1993 interim. The JCCT met jointly with the Economic Development Committee this interim to consider the report. Dean Gould appeared before the JCCT at a subsequent meeting in order to discuss the recommendation for establishing a new state level entity. In addition, the Committee reviewed the process of rebidding the state's multimillion dollar KANS-A-N telephone contract. The current contract expires in 1996. The Committee also participated in an interactive video conference using state facilities in Topeka, Kansas City, Lawrence, Pittsburg, Emporia, Manhattan, and Hays to conduct a portion of its regular meeting schedule. Finally, the Committee responded favorably to a request from the Lieutenant Governor regarding the Parole Board. The Committee recommends introduction of a bill which would:

- Permit the Parole Board to use interactive video to conduct parole hearings.

## Items Included in 1993 Legislation

The 1993 Legislature directed the JCCT to review the following agencies and certain items as prescribed by the following legislation: Section 5 of 1993 S.B. 57, Kansas Department of Health and Environment; 1993 S.B. 415, Department of Revenue; Section 4 of 1993 S.B. 437, Kansas Public Employees Retirement System; Section 23 of 1993 S.B. 437, University of Kansas Medical Center; and Section 3 of 1993 H.B. 2045, Board of Indigents' Defense. The Committee has reviewed and approved all proposed projects mandated for review with the exception of the request for proposal (RFP) to be presented by the Department of Revenue for its new tax system authorized by S.B. 415.

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## CURRENT PROCEDURES AND STATUTES

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### Review of Planning and Budgeting Process

The JCCT began during the 1992 interim reviewing state agency information technology management plans and budgets requesting computer hardware, software, and telecommunications equipment. Once the 1993 Session of the Legislature began, the Committee was unable to continue reviewing agency requests and also was unable to review the Governor's recommendations for information technology items after the budget message in January of 1993. During the 1993 interim, the JCCT decided to focus on a more general perspective and reviewed the current procedures which state agencies follow in planning and budgeting for information technology acquisitions.

Gloria Timmer, Director of the Budget, described budgeting for technology. She discussed problems in budgeting for computers: growing complexity, rapid rate of change in technology, and difficulty in measuring efficiencies in automation. She said that agencies are required to include, as part of their budget submissions, requests for technology acquisitions, which are due on September 15. Agency information management plans, filed with DISC, are also due on September 15, and the Division of Budget (DOB) receives copies of those plans. Ms. Timmer said that DOB coordinates with DISC to ensure that their budget instructions are in keeping with DISC requirements. She stated that the DOB analysis works to make a technical match between the appropriations and the projects phases and to identify future funding and staff requirements.

Ms. Timmer advised that, before a project is approved in the budget process, DOB makes sure that DISC has approved the project. She discussed the differences in the roles of DISC and DOB. Ms. Timmer compared the practice of budgeting specifically for computer equipment with that of purchasing computer equipment with unallocated funds. She feels that it is appropriate for agencies to use end-of-the-year unallocated funds to purchase equipment, which has been identified within their information management plan, once agency

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obligations and responsibilities are fulfilled. Ms. Timmer described effectiveness versus fairness in computer acquisitions and noted that the current focus on fairness may decrease effectiveness. She said the role of the Legislature has traditionally exercised oversight by control in its review of purchases exceeding certain levels. She went on to say that, while there are reasons for this control, there are also problems in that such control limits efficiency, reduces management flexibility, and causes more negative than positive results. Ms. Timmer suggested the alternatives to control could include focusing on outcomes, developing performance measurements, granting managerial flexibility, and making managers accountable. She stressed that technology is merely a tool, so the emphasis should be on whether or not the agency has fulfilled its mission.

Jean Turner, Director of DISC, described the duties of the agency and reviewed the 1993 directive requiring submission of agency information technology management plans. She explained that, currently, agencies submit their plans by September 15 at the request of DISC. She described some of the agency uses of the DISC mainframes and the increasing role of telecommunications. Ms. Turner said that the agencies do a good job of planning, communicating, and coordinating their technology budget. She mentioned that the specifications for the KANS-A-N telecommunications backbone network will be rebid, with IFPs scheduled to be sent out in late spring of 1994. The current KANS-A-N contract with AT&T expires on February 28, 1996.

## **Reinventing Kansas Government Proposal**

Secretary of Administration Susan Seltsam and Ron Terzian of the Boeing Company presented information about the reinventing Kansas government project and in particular about the work of the information systems management team, including its recommendations. Secretary Seltsam pointed out that the recommendations should be treated as "preliminary" because the executive committee which she chairs has not approved the final recommendations for presentation to the Governor. She noted that final reports for all five study groups should be available prior to the 1994 Legislature and that an executive summary would be offered as a sixth report.

Mr. Terzian chaired the information systems management study team and presented portions of its final report and recommendations. Among the recommendations outlined were the following:

1. formation of the Kansas Information Resource Council (KIRC);
2. establishment of a Chief Information Architect;
3. redefinition of the DISC role; and
4. establishment of the Information Technology Advisory Board (ITAB)

Mr. Terzian discussed the role of information technology in state government and said there must be a process for continuing improvement, defining business strategies, and aligning the use of information technology with those business strategies. He said that information technology professionals must be viewed as business partners in establishing the direction for information technology to play in order to accomplish the state's strategic goals and there must be shared responsibility for the success of state operations.

Mr. Terzian described the proposed changes in the information resource management structure of state government.

**KIRC.** The new Council would set statewide information resource management policy, direction, and priorities; review and approve proposals from the state's Chief Information Architect; and assure linkage of information technology planning and statewide business strategies to achieve the state's strategic goals and information resource vision.

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**Chief Information Architect.** This new position would create and staff a support organization to define, propose, and implement the tasks and projects necessary to achieve the information resource vision of the state.

**DISC's Role.** The organization would be directed to focus on provision of central computer and telecommunication services.

**ITAB.** The new inter-agency Board would assure consistent implementation of information technology policy as directed by KIRC. The Board would advise the Chief Information Architect on technical issues facing the state and its organization, and would instigate sharing of state resources and data. ITAB would organize technical advisory committees as necessary to address specific information technology subjects.

**Funding and Implementation.** KIRC would be established by an Executive Order, with subsequent legislation requested to implement the other initiatives. Funding of \$100,000 for KIRC would be shifted from savings derived from implementing what was described as a "quick hit initiative" to reduce the need for DISC approval for acquisition of technology covered by state contract and costing less than \$50,000.

**Committee Discussion and Conclusions.** The JCCT plans to review any recommendations which the Governor may submit to the 1994 Legislature which pertain to these proposals for reinventing Kansas government. The Committee was disappointed that the final recommendations and reports were not available during the 1993 interim since many of the preliminary recommendations pertain to matters which the JCCT has addressed for the past two years.

The Committee believes that any reorganization of DISC should give telecommunications more prominence in state government. Currently, the function is identified only as a bureau within the present division.

## **Acquisition of Information Technology**

The JCCT discussed the monthly listing of DISC approved agency requests for acquiring computer hardware, software, and telecommunications equipment. There was a discussion about the duties, functions, and responsibilities of the JCCT and the different types of provisos contained in appropriations legislation. In regard to monthly reports of approvals issued by DISC for agencies to acquire computer hardware and software, the Committee decided that it does not want to review each month's list. Instead, the Committee decided that it wants to focus on the large projects and acquisitions which typically are requested as part of the planning process when agencies develop their information technology management plans and their budgets. Projects which appear later in the process pose especially difficult problems in identifying and reviewing them, but those projects have been referred to the Committee by proviso for review after identified in the appropriations process.

Staff reviewed the activities of the Joint Committee on State Building Construction, the scope of its reviews, the time frame for conducting its business, and the type of reporting. Authorizing statutes were described. It was noted that five-year capital improvement plans are submitted for review, based on a statutory requirement for submission on July 1 of each year.

## **Committee Conclusions and Recommendations About Statutes and Procedures**

**Plan and Budget Bill.** After discussing the two versions of 1993 H.B. 2538, the Committee recommends introduction of a bill requiring that all agencies submit by July 1 of each year information technology plans covering a five-year period and to include budgeted expenditures for major projects. The bill includes the

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basic provisions used for capital improvement plans which are submitted to the Joint Committee on State Building Construction pursuant to K.S.A. 46-1702 and 75-3717b. H.B. 2571 carries out this recommendation.

The bill provides that whenever an agency proposes an information technology project estimated to cost \$250,000 or more, the agency must prepare an information technology budget estimate, to be submitted to the Division of the Budget and the Legislative Research Department by July 1. This estimate and accompanying program statement would include a detailed justification for the project; request for appropriations for the preliminary planning, development, and implementation phases of the project; and detail of each phase of the project, and cost estimates for various items necessary for the project. In addition, each state agency would be required to submit copies of its five-year information technology management plan to DISC and the Legislative Research Department by July 1 of each year.

It was noted that based on this year's budgeted projects, there would be approximately ten to 15 projects in any one year that would exceed the \$250,000 threshold.

**Acquisition Bill.** The Committee recommends a second bill similar in substance to 1993 H.B. 2538 and which incorporates the provisions of DISC Guideline 3608.00 which sets out requirements for acquisition of data processing and telecommunications hardware, software and services. H.B. 2573 carries out this recommendation.

The provisions of the bill provide that a written advanced planning document must be approved by the Secretary of Administration before any acquisition of data processing or telecommunications equipment, products, or services. The Secretary of Administration would be responsible for monitoring data processing and telecommunications system development projects. If such projects exceed a specified threshold, agencies would be required to present such projects, including budget estimates and advanced planning documents, to the JCCT at least 30 days before entering into any contracts related to the project. However, the Secretary of Administration could waive the 30-day period if it is determined it would be detrimental to the efficient operations of state government. The requirement for an annual report by the JCCT to the Legislative Coordinating Council by December 1 each year would be eliminated in the bill. The bill also contains a provision that DISC shall prepare a statewide comprehensive plan for information management.

The bill includes a requirement for a detailed explanation of the project implementation plan which must specify a schedule for completion of the project. The bill also includes a requirement that agencies which have projects that are subject to monitoring by the Secretary of Administration shall provide to the Secretary a progress report, at least quarterly, until the project is completed. The bill specifies that the cost threshold be \$50,000 for any fiscal year or \$250,000 for the entire acquisition. The bill provides that the JCCT will receive a quarterly exceptions report of instances when the Secretary of Administration has granted waivers of the 30-day waiting period for submission of information to the JCCT.

**Needs Analysis Bill.** The Committee recommends a third bill which would prohibit a vendor conducting a needs analysis from submitting a bid for any project recommended in the analysis. A waiver of this provision is authorized under certain circumstances. H.B. 2572 carries out this recommendation.

The Committee believes that needs analysis should play an important role in planning new applications, systems, and other projects. The JCCT will use these documents as one basis for its future consideration of projects and funding requested by state agencies. The Committee review of the Post Audit reviews in the next section of this report highlight the importance of such analysis preceding projects.

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## REVIEW OF AGENCY PLANS AND BUDGETS

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### Post Audit Reviews of Information Technology

Leo Hafner, Performance Audit Manager, Legislative Division of Post Audit, reviewed performance audits concerning several computer projects. He noted that the two most frequently asked questions relating to computer systems is why it took longer to implement than was originally expected and why it cost more than the original estimate. Mr. Hafner said Post Audit has found that most agencies are lacking in the assessment of what their needs really are, and he summarized some of the most common problems that agencies have in developing major systems:

1. Do not adequately manage the projects.
2. Pay firms for poor work -- no one is really held accountable.
3. Move on before fixing the problems.
4. Do not assign a high enough priority to developing and completing the systems.
5. Assign people with other full-time jobs to carry out important tasks.
6. Continue to modify systems throughout their development.
7. Do not provide the Legislature with the full costs of the project.
8. Make very bad estimates, often leaving out normal costs that someone should be able to help identify.
9. Consistently overestimate what state employees without the technical expertise can do.
10. Lack the knowledge and ability to realistically assess consultants' work.
11. Must fix systems that are designed to operate inefficiently and use their own staff resources because such problems are not discovered until after consultants have left.

Mr. Hafner cited specific audit examples that illustrate some of these problems. The Kansas Business Integrated Tax System (K-BITS) in the Department of Revenue, was originally supposed to cost \$1.8 million. The project began in 1981 and was scheduled for implementation in two years. When the performance audit took place in 1987, the system had not been implemented and had already cost \$2.8 million. K-BITS was eventually abandoned. The consultant contract was awarded to two firms, with the first firm being responsible for developing the design and specifications and the second firm being responsible for the programming, testing, and implementation. Mr. Hafner said the agency did not satisfactorily manage and oversee the project. The work done by the first firm was incomplete, but the agency paid the firm before realizing the inadequacy of their product because agency staff lacked experience in dealing with systems of this complexity and lacked time to review the work product. In addition, DISC gave a favorable assessment of the first phase without reviewing the documentation. The second contractor spent most of its time rewriting the design specifications, and the agency also modified some of the key elements in the basic design. The agency tried to complete the project on its own but assigned it a low priority. Mr. Hafner said that many of the problems with this project directly related to inadequate planning and project management.

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Mr. Hafner reviewed the 1990 performance audit of the Comprehensive Automated Eligibility and Child Support Enforcement System (CAECSES), developed for the Department of Social and Rehabilitation Services (SRS) by a contractor. This system ended up costing more than twice as much as estimated and took about a year longer to become operational than the original estimate. Problems with the system included omission from early estimates of costs that could reasonably be expected with such a project. The agency did not provide the Legislature with estimates of the salary costs of agency staff dedicated to work on the system's development. The software contract was modified during development of the system. The agency had anticipated upgrading the hardware after implementation, but had not reported those costs to the Legislature. However, it became necessary to upgrade the hardware before implementation of the project could take place. The state's share of the system costs grew because the total cost of the system increased, hardware was financed because the federal government would not pay its share up front (as had been assumed by SRS), and the federal match (and resulting reimbursements) were less than SRS had anticipated.

Mr. Hafner reviewed the 1993 audit of the Kansas Financial Information Systems (KFIS), in the Department of Administration, which was another system plagued with problems. The base contract was for \$3.7 million, and, at the time of the audit (January, 1993), the project had cost \$6 million and only one of the four components had been completed. Mr. Hafner detailed some of the problems with the project. The agency did not prepare detailed specifications when it requested proposals and could not adequately evaluate proposals because no needs assessment had been done. The contract did not clearly specify what was expected. There was inadequate assessment of what portions of the project state employees would complete, the time needed, or whether there was sufficient staff expertise. There were changes in the software design during its development and no process existed for resolving internal disagreements about changes. The project manager did not have experience with a project of this size and was not given sufficient authority and resources. The contract was revised to release the vendor of responsibility for completing the project. The agency underestimated the ongoing processing costs for the new system.

**Committee Discussion and Conclusions.** The Committee believes that many of the findings in the Post Audit reviews should be carefully scrutinized by agencies preparing to undertake new projects. The JCCT concludes that needs analysis and project management are two necessary ingredients to a project's success. Needs analysis should be performed prior to major projects and a project manager should be appointed very early in the planning stages of projects. Many of the Committee recommendations for legislation and for specific projects proposed by state agencies follow from these conclusions about needs analyses and project managers.

## **Department of Administration**

The Committee reviewed a number of matters centering on this agency and its functional divisions: reclassification of data processing personnel; state computer contracts; a new central imaging system; and a proposed new personnel and payroll system. The Committee concentrated monitoring the latter proposal for a new personnel and payroll system.

**Personnel and Payroll System.** The proposed project is an anticipated part of the Kansas Financial Information System (KFIS), of which the State Accounting and Reporting System (STARS) was the first component. STARS was implemented in the early 1990s as a replacement to the Central Accounting System of Kansas (CASK), but development of the next component (personnel and payroll) was halted in November, 1990. 1992 H.C.R. 5050 directed the Secretary of Administration to complete a needs analysis before undertaking further development of a new personnel and payroll system for the state. The Secretary kept the Committee informed of developments during the 1992 interim. The needs analysis was presented to the 1993 Legislature. The Committee reviewed the project objectives and recommendations regarding the Regents, biweekly pay cycle, and human resource system technological direction. The consultant recommended one alternative was to develop a new system utilizing client-server architecture and to purchase a software package appropriate for that architecture. Other alternatives were presented by the Andersen Consulting study.



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During the 1993 Omnibus process, funding of \$200,000 (\$153,000 from the State General Fund) was appropriated for a state personnel and payroll system, subject to approval of the State Finance Council. Section 48(d) of 1993 House Sub. for S.B. 437 includes the appropriation language. No review by the JCCT was mandated by the Legislature prior to Finance Council release of funding, but the Committee has monitored this project. State Finance Council action was requested for the release of these funds at the December, 1993 meeting of the Council.

The Secretary of Administration reported twice during the 1993 interim on the KFIS project to update the Committee about development of a new payroll and personnel system for the State of Kansas. The Andersen Consulting study includes as one its alternative recommendations the course of action adopted by the Secretary that the payroll and personnel system be reengineered and that client-server architecture be utilized in a new system. Five vendors were invited to make presentations as a result of a Request for Information (RFI): Andersen Consulting/People Soft, Paramax/Unisys, Dun & Bradstreet/Dun & Bradstreet Consulting, IBM/Teseract, and Banner/CSI. The Secretary of Administration expects there will be additional vendors who respond to the RFP for developing a new payroll and personnel system.

Secretary Seltsam reported that the pay cycle was made a part of the study because of a bill introduced in the 1992 Legislative Session. She noted that there are costs associated with going to a biweekly cycle and that the employee input was about 50-50 favoring or opposing the change. With regard to the responses to the RFI, Secretary Seltsam said that several of the respondents will be asked to make presentations regarding their proposals. She indicated that a number of the proposals were for open systems and all were client-server oriented. Secretary Seltsam said that if a software package can be agreed upon that will meet the needs of the state, the University of Kansas, the University of Kansas Medical Center, and Kansas State University, she would hope that a central site license, with some alternate site licenses, can be negotiated, in order to achieve some economies of scale.

The Committee learned that the University of Kansas, Kansas State University, and the Department of Administration are working on the payroll and personnel system in a cooperative venture to replace the current Kansas Integrated Personnel and Payroll System (KIPPS). An RFP was developed cooperatively by representatives from the Department of Administration, Kansas State University, University of Kansas, and the University of Kansas Medical Center. Secretary Seltsam described several initiatives being made to provide support for a client-server system and stated that gaining in-house expertise in this technology will reduce the need for consulting services. She noted that DISC and the Department of Transportation are working on a joint project which involves client-server applications. She proposes hiring consultants to assist in reengineering business processes and to assist in the detail design of the system and modification of software. The agency is requesting \$500,000 from the State General Fund in FY 1995 for consulting services.

The Secretary expected the RFP to be issued in mid-November. She explained that DISC and Regents technical staff are helping to draft the software, design, and implementation portion of the RFP; and that the Division of Personnel Services and the Payroll Section of the Division of Accounts and Reports are working on the reengineering consulting services portion of the RFP. Secretary Seltsam said that there is no one currently designated as the project manager, but she expects that to occur after the first of the year.

Secretary Seltsam expects that the analyses of the responses to the RFP will be done by various groups assigned to look at certain technical aspects and that the potential vendors will demonstrate specific products. It is her hope that there will be a single product that will meet the needs of both the Department of Administration and the participating Regents' schools. If a cooperative venture does not occur, then the committee making the selection will be composed of the Division of Personnel, DISC and the Payroll Section from the Department of Administration. She said that most of the software vendors say that their packages include the agreement to upgrade their product to incorporate any federal law changes. Secretary Seltsam said that she would hope that any contract would include some type of warranty guaranteeing the system for a certain period of time, and she recognizes that caution must be exercised to insure that any modifications made by in-house staff do not violate that warranty.

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The Committee reviewed the November 15, 1993, Request for Proposal for vendors to provide "Human Resource and Payroll System and Business Re-Engineering" services. Also reviewed was the December 6, 1993, Addendum No. 1 to the Request for Proposal.

The Secretary of Administration told the Committee that the two-year budget for developing the personnel and payroll system is \$2,579,000. For FY 1994, funding of \$1,168,000 of available resources has been budgeted for the project. The 1993 Legislature appropriated \$200,000 subject to State Finance Council release. For FY 1995, the project budget is \$1,411,000, including \$500,000 requested from the State General Fund.

**Central Imaging System.** DISC proposes in its FY 1995 budget to implement a central imaging system to serve several state agencies. A DISC representative told the Committee that an RFI has been issued and that vendor responses are due by December 15, 1993. This information gathering and evaluating period will precede any Request for Proposal which is dependent upon funding being approved in the FY 1996 budget. The project would allow DISC to provide shared services for several state agencies, which have expressed interest. Those state agencies include: the Department of Administration, the Department of Corrections, the Secretary of State, the State Treasurer, the Kansas Parole Board, and the Kansas Racing Commission.

The agency requests \$2.5 million beginning in FY 1995, with a five-year estimated cost with financing of \$3,041,460 to install this new central imaging system. (Note: After review of other agency budget requests, two other proposed central imaging systems have been identified in FY 1995: the Department of Corrections requests \$407,800 in FY 1995 for an inmate records imaging project and the Secretary of State requests \$60,000 in FY 1995 for a down payment on a multiyear contract estimated at \$400,000 for an optical disk imaging system).

## **Conclusions and Recommendations for the Department of Administration**

**Imaging Systems.** In regard to the proposed imaging system, the Committee is concerned about different agencies buying systems which may duplicate a central system or be incompatible with other systems. The Committee inspected the imaging systems at the Department of Health and Environment and at the Department of Revenue. The 1994 Legislature should monitor agency requests and Governor's recommendations in order to be watchful for duplication in the FY 1995 budgets. The Committee voted not to recommend any funding at this time, pending review of the results from the DISC study of imaging systems derived from its RFI and further study of this issue.

**Payroll and Personnel System.** In regard to the payroll and personnel system, the Committee makes several recommendations:

1. The Committee, at its meeting of December 9, 1993, voted to recommend that the State Finance Council release funding at its meeting of December 13, 1993, contingent upon the following three conditions being met:
  - a. that a Project Manager be appointed before the funding is released;
  - b. that a Project Schedule with identification of significant milestones for the 36-month period of the project be provided; and
  - c. that a quarterly report of the activities associated with the project be delivered to the JCCT.

The JCCT submitted this recommendation to members of the State Finance Council.

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2. For FY 1995, the Committee recommends that the 1994 Legislature appropriate as a separate line item any funding to continue the development of the payroll and personnel project in FY 1995 and by proviso make the funding subject to release by the State Finance Council after review and recommendation by the JCCT.

The Committee calls attention to the section of this report outlining the Post Audit findings and to the KFIS audit in particular which identify factors underlying other procurements which failed to satisfy other projects' needs.

## Department of Revenue

The Committee monitored several projects, including the operation of the CAMA (Computer Assisted Mass Appraisal) software system and the implementation of 1993 S.B. 415 which authorizes contracting for a new tax collection system. The agency's imaging system for driver license records was inspected by the Committee.

**1993 S.B. 415 – Tax System.** The bill authorizes the Secretary of Revenue to contract for an automated tax system, including computer hardware and software, for registering taxpayers, processing remittances and returns, and collecting delinquent taxes, penalties, and interest. All contracts would be negotiated pursuant to the procurement negotiating committee procedures authorized by K.S.A. 75-37,102.

Any RFP must be reviewed by the JCCT prior to publication or distribution of any RFP soliciting the involvement of potential contractors in this project. Secretary Parrish advised that the agency is currently in the process of developing a strategic plan for the Department. The agency issued an RFP for strategic planning, and Andersen Consulting was the successful bidder. Secretary Parrish said she convened a project team for 1993 S.B. 415 and issued an RFI. She reminded the Committee that S.B. 415, passed last session, allows the agency to use enhanced revenue from the reengineering process and new computerization system to pay the vendor on a contingent fee basis. Secretary Parrish remarked that a crucial part of the process is the agency's efforts to refine its ability to track the benefits of a new system.

Secretary Parrish described the key objectives for the automated tax system as identified by the agency's business integration assessment. She said that the RFI seeks input from vendors on alternatives for an automated tax system, including a cost benefit analysis. She noted that it is anticipated that increased automation will provide the opportunity for reallocation of positions to areas with greater potential for increasing revenues. Secretary Parrish said she would hope to present the RFP to the Committee during the 1994 Session, but that is dependent upon the responses to the RFI, review of the those responses, and the time needed for internal decisions leading to an RFP.

She discussed the difficulties in developing and defining a model to track increased revenues resulting from a new system and noted that the Director of Legislative Research Department and the Director of the Budget will certify the revenues. She agreed it is possible that it will be desirable to have multiple measurement tools in the model. It was also indicated that no decision has been made as to who will be the project manager.

**CAMA Software System.** With reference to the CAMA system, Secretary Parrish noted that the 1993 Legislature authorized a portion of the \$3 million appropriated for county assistance to be utilized for enhancements to the system. Whatever money remains after enhancements are made is then distributed to the counties. Secretary Parrish advised that the Division of Property Valuation (PVD) established a committee to

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compile recommended enhancements to the CAMA system. These recommendations and other suggestions were reviewed by a committee of county appraisers, which has recommended enhancements for a total cost of \$46,000.

David Cunningham, Director of PVD, described the CAMA contract system enhancements costs over the life of the project. He said the Division is moving in the direction of having a long-term plan about what to do with CAMA as the system is almost ten years in use, and that he hoped to have a plan in place within the next two to three years.

### **Committee Conclusions and Recommendations for the Department of Revenue**

**New Tax System.** The Committee plans to review, as authorized by 1993 S.B. 415, the RFP regarding an automated tax system which must be submitted prior to its release to vendors.

**CAMA Software.** In regard to CAMA, the Committee plans to review the forthcoming Post Audit report about this appraisal application system. The Committee urges the PVD Director to evaluate and report to the JCCT at the start of the 1994 interim about the life cycle of CAMA.

### **Department of Social and Rehabilitation Services**

During a tour and briefing about information technology systems at SRS, Secretary Donna Whiteman and staff addressed a number of programs and their computer applications. Two multi-million dollar systems development projects currently in the planning stages will be monitored by the Committee: the Kansas Medicaid Management Information System (KMMIS), and the Kansas Social Services Information System (KSSIS).

Herman Hafenstein, Commissioner of Administrative Services, SRS, described several agency information systems. He said the Comprehensive Automated Eligibility and Child Support Enforcement System (CAECSES) program for income maintenance and child support enforcement was implemented in 1989 and that there have been technical improvements during the past year. A request for resources to support additional improvements and modifications is in the agency's FY 1995 C Level budget. The Kansas System for Child Care and Realizing Economic Self-Sufficiency (KsCares) project is currently in pilot implementation in two area offices, and full implementation is scheduled for completion in April, 1994. The first phase of the Kansas Enhanced Statewide Support Enforcement (KESSEP) program for child support enforcement to interface with all 105 county courts has been completed. The program is now in the second phase which involves the use of information engineering methodology and computer assisted software engineering software to complete the second phase of the project. The third and final phase will incorporate 1988 federal amendments and must be completed by October, 1994. Mr. Hafenstein noted that the system is currently being federally funded at a 90 percent match. Mr. Hafenstein advised that recent federal legislation would provide enhanced match funding for a social services information system, but the federal regulations will not be completed until the spring of 1994.

**Kansas Social Services Information System.** Carolyn Hill, Commissioner of Youth and Adult Services, SRS, described the Kansas Social Services Information System (KSSIS). She said the experiences in implementing other systems, such as CAECSES, should help to avoid some problems in implementing KSSIS. She expects the system to combine use of a mainframe and personal computers at the workers' stations. Ms. Hill said that the 1992 Legislature appropriated funds for two positions to begin the planning of the KSSIS system, which is seen as a means to assist in the shift of programs towards a more family centered approach. She noted that there are several parts of the system which are currently automated -- foster care eligibility, medical eligibility, and payments for children in foster homes. Ms. Hill hopes that KSSIS will be a comprehensive system with the capability of interfacing with other SRS systems so the agency would have a single client data base. She believes that automation will allow staff to absorb increased caseloads for a period of time.

Ms. Hill said it is very important to have a system based on what the staff needs and wants. She reported that a needs assessment of all the area offices and youth centers has been concluded. She said the primary emphasis of staff is that they be provided with tools to eliminate redundancy so more time can be spent with clients. She indicated that most data gathering is currently being done by hand. The two largest systems of the Youth and Adult Services Commission are the Child Abuse/Neglected Information System (CANIS) and the Child Tracking System (CTS), which includes both children in need of care and juvenile offenders. These systems cannot communicate with each other and only keep history on perpetrators of child abuse/neglect and victims of child abuse/neglect. She explained that both are mainframe systems which are paper-driven and hand operated at the local level. It was noted that both the CTS and CANIS systems are very old and both are batch processing systems.

Ms. Hill noted the necessity of having information systems capable of interfacing with other agency programs, other agencies and local governmental units. She advised that they are in the process of reviewing bids for the development of an Information Strategy Plan (ISP) to begin the KSSIS planning process using an outside contractor. In discussing the project development schedule, Ms. Hill said it does not appear that the three-year window for enhanced federal funding will be adequate to finish the entire project. Once the federal regulations are finalized, the focus will be to give priority to those modules which will be eligible for the enhanced funding and delay those items which would not be eligible. Ms. Hill added that there is a possibility that some portions of the project may be eligible for a 75 percent match instead of a 50 percent federal match. It is anticipated that KSSIS will integrate several programs into one system: Child Protective Services, Family Services, Adult Protective Service, Foster Care, Long Term Care, Juvenile Offenders, Family Preservation, Adoption Services, and Child in Need of Care Not Abused/Neglected. The estimated funding needs for the project from FY 1994 through FY 1998 are approximately \$21.6 million.

Ms. Hill said this project would automate the only major portion of the SRS staff not already automated and would involve the entire agency information system scheme to the extent that it would interface with the client data base in the other systems. The ISP process includes a "driving down" to identify those functions, and eventually those processes, that need to be done in social services in order to be successful in delivering the types of services that are needed, as well as the information that is needed to perform that function. The process includes a cost estimate based on the information known at that time.

The agency includes \$204,500 in its FY 1994 budget for an Information Strategic Plan for the KSSIS project. Multiyear funding for development and implementation of the project is estimated at \$21.7 million. The FY 1995 request for funding is \$10.7 million to begin development work on the KSSIS project. Over \$3.4 million would be for a contractor to assist in the project's design and development during FY 1995.

**Kansas Medicaid Management Information System.** Sandra Hazlett, SRS Medical Services, related that the agency is working with a consultant in the process of developing an RFP for a new Kansas Medicaid Management Information System (KMMIS) program to replace the current system owned by the state, which is a batch system developed in the late 1970s. The consultant is providing information on new technologies, anticipated costs, and what can be done to encourage competition. The RFP is being written by SRS staff and there is effort to design a monitoring plan for the contract. The RFP is targeted for issuance in early FY 1995. Ms. Hazlett said the intention is to obtain a system that is operational in another state and either already federally certified or known to be certifiable. Some of the features the agency is seeking in a new system include paper reduction, greater up-front editing of claims, increased on-site staff, and expanded voice response capabilities. Ms. Hazlett described trends in KMMIS contracting and said that the cost of a new system for Kansas will likely be significant because of the age of the current system and the required base services. She was asked about the cost of the contract with the consultant and said she would provide that figure to the Committee. She advised that the consultant has assisted in the development of a detailed time line for the procurement process, helped with the outline of the RFP, and is assisting in the documentation of the configuration of the current system.

The proposed schedule leading to a new KSSIS to replace the existing system includes developing the RFP in FY 1994 (by June, 1994); awarding a new contract based on RFP responses in FY 1995 (by March,

1995); transition testing in FY 1996 (to be completed by June, 1996); and implementing the new system in FY 1997 (by July, 1996).

In order to develop a needs assessment prior to issuing a RFP, the agency budgets \$250,000 in FY 1994 for development of its proposal seeking a replacement system by FY 1997. Also in FY 1994 the agency budgets \$13.57 million for its current KMMIS contract with Electronic Data Systems (EDS).

**Internal Audit EDS Contract.** Mary Hoover, Director of Audits, SRS, described a recently completed internal audit of EDS systems engineers (SEs) who are under contract to manage KMMIS. She said the audit found that the 11 on-site SEs are being used appropriately as determined by the current KMMIS contract. However, the contract is quite broad in stating their duties. She stressed that the absence of time sheets made it extremely difficult to identify how much time was spent on each project, so it was not possible to determine whether SEs were fully and appropriately utilized. She noted that, as of June, 1993, time cards are now being kept.

Ms. Hoover said that the auditors concluded that off-site SEs were appropriately working on Advance Planning Documents rather than on-site SEs. However, the auditors were unable to determine whether or not the Change System Requests and Advance Planning Documents are appropriately prioritized because of lack of documentation of the benefits and the subjectivity involved in prioritizing. With regard to job classifications and experience of the current SEs, EDS does not have written minimum qualifications guidelines and their philosophy is to provide internal training of their employees. Since 1990, there have been 18 different SEs working on the contract. Four of the 11 current SEs have been working on the contract since its inception.

### **Committee Conclusions and Recommendations for the Department of Social and Rehabilitation Services**

During discussion of information technology projects presented by SRS, members of the Committee expressed concerns about the absence of an overall comprehensive study and coordinated plan for the agency's future information technology direction and programs. Concern also was expressed about the need to possibly reengineer current procedures before embarking on new system development projects involving millions of dollars. The Committee discussed halting all current and future work on developing new SRS applications, pending a review of the agency's information technology, and development of a comprehensive plan of action which would include a study of integrating the agency current and future systems applications.

Mr. Hafenstein was asked about the possibility of federal reimbursement to assist in funding an information technology management study of SRS needs. He replied that, if the study was done as a part of an overall agency plan, he would estimate that the federal match would be at least 60 percent.

**Agencywide Plan.** The Committee discussed placing a moratorium on acquiring computer hardware, software, or services until the completion of a comprehensive agencywide assessment by an outside management firm. It was suggested that the firm used for the assessment study would be prohibited from bidding on any projects recommended by the report. The Committee discussed this matter with SRS Secretary Donna Whiteman at a subsequent meeting.

Secretary Whiteman stated that the agency would be open to having a consultant provide assistance in developing an overall agency information systems plan. She estimates that such a process would take six to nine months and cost in the range of \$500,000 to \$750,000. She observed that the agency has a decentralized system, has offices in each Kansas county, and is responsible for determining eligibility for 24 federally mandated programs. She said that of the agency's \$1.6 billion budget (which includes \$540 million in federal funds), \$1.1 billion is in medical programs, indicating that the Kansas Automated Eligibility and Child Support Enforcement (KAECSES) system and KMMIS project affect the largest portions of the budget. She noted that KAECSES has about 400,000 transactions in an eight to nine-hour period. Secretary Whiteman was asked what impact a six-

months' delay would have on current information systems development, and she responded that the major impact would be on the new information system for social services (KSSIS) which is estimated to cost approximately \$20 million. There is a three-year window that the federal government will provide a 75 percent match for such systems. She added that this system is a part of the ACLU foster care lawsuit settlement.

The Committee asked that SRS provide the JCCT with information on the procedure they would follow in seeking federal matching funds for an assessment of integrating current and future systems operations.

The Committee recommends introduction of legislation appropriating a State General Fund match of \$285,000 as the state matching portion for a \$500,000 study by an outside consultant. The comprehensive, agencywide information management plan study would focus on integration of current and proposed computer systems and applications. S.B. 446 implements this recommendation.

**EDS Contract.** There was discussion about requesting a 100-hour audit of the SRS and EDS contract. Senator Tiahrt advised that he would discuss the matter with the Chair of the Post Audit Committee, Representative Jim Lowther, and have a scope statement prepared. The JCCT's concern about potential problems with the EDS contract, based on the SRS internal audit findings, should be the focus of the 100-hour audit. That limited audit would be used to determine if there is need for a full-scale performance audit of the present arrangement with EDS.

Senator Tiahrt reported that he had discussed with the Chairperson of Legislative Post Audit Committee the possibility of a 100-hour audit of the contract between EDS and SRS. Senator Tiahrt advised that Post Audit has an extremely heavy workload and the likelihood is slim that such an audit would be completed in the foreseeable future. However, a scope statement is being prepared.

The Committee voted to accept a proposed scope statement for the Post Audit review of EDS and request the performance audit.

**KSSIS Funding.** The Committee recommends that the 1994 Legislature appropriate as a separate line item for SRS any funding to continue the development of the KSSIS project in FY 1995 and by proviso make the funding subject to release by the State Finance Council after review and recommendations of the JCCT.

**KMMIS Funding.** The Committee recommends that the 1994 Legislature appropriate as a separate line item for SRS any funding to continue the development of the KMMIS project in FY 1995 and by proviso make the funding subject to release by the State Finance Council after review and recommendations of the JCCT.

## **Department of Transportation**

Mike Lackey, Assistant Secretary of Transportation, discussed the Kansas Department of Transportation (KDOT) information technology initiatives. Mr. Lackey advised that the information technology functions of the agency have been restructured this year. The Executive Information Technology Subcommittee (EXIT) has been created for the purpose of establishing agency policies and plans relating to information technology, coordinating agency information technology activities, and advising the Secretary on information technology issues. The Information Technology Communication and Coordination Committee facilitates the exchange of information between EXIT and various task oriented subcommittees. A third committee, the Strategic Information Management Planning and Budget Council, assists in the development of the Information Management Plan and related budget items.

Mr. Lackey related that a major initiative for FY 1995 is metric conversion, which the federal government has mandated must be completed by October, 1996. He noted that the only federal government action

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to delay the conversion project is a one-year prohibition in federal legislation for spending federal funds to convert highway signs. KDOT's FY 1995 budget requests include \$320,000 for conversion of general purpose computer programs and \$1.0 million for conversion of its geometric data base. The agency anticipates that additional funds will be requested in FY 1996 to convert other systems. In responding to questions, Mr. Lackey stated that the federal legislation, which is driving the conversion to the metric system also applies to any governmental unit which receives federal funds. He advised that KDOT receives about \$180 million in federal funds yearly, roughly one-third of its total revenue.

Mr. Lackey indicated that the agency is requesting an appropriation of \$350,000 for two systems requirements studies which might be conducted jointly: a Financial Information Management System (FIMS) and an Integrated Maintenance Management System (IMMS). An additional \$360,000 is being requested in FY 1995 for a GIS study.

**Financial Information Management System.** The agency has a number of nonaccounting information and management systems which require financial information. A number of current accounting systems internal and external to the agency are not integrated. The proposed new system would integrate all internal accounting data and provide information to monitor costs related to design, construction, maintenance, and management activities. The requirements study will produce a system justification and alternatives for an integrated accounting system which will also interface with the IMMS proposal.

This component of the study is estimated to cost \$200,000 in FY 1995. Multiyear costs of implementing this project will be developed during the systems requirement study, but a preliminary estimate for FY 1996 only is \$4.0 million.

**Integrated Maintenance Management System.** The agency proposes to move several existing systems to relational database technology, including the existing highway maintenance system, equipment management system, shop management system, and communications system. In addition, two new systems are recommended for development: a preventive maintenance system and an optimum equipment replacement system. In order to determine specific requirements for integrating these systems, and the specific requirements for the two new systems, a systems requirement study will be conducted, in coordination with the FIMS assessment.

This component of the study is estimated to cost \$150,000 in FY 1995. Multiyear costs of implementing this project will be developed during the systems requirement study, but preliminary estimates range from \$3.0 to \$6.0 million, depending upon the options and alternatives selected for development and implementation.

**Geographical Information System.** Three applications used for planning will be studied to determine requirements for using GIS technology for automated routing, sign inventory, and laboratory information management.

FY 1995 expenditures are estimated at \$360,000 for GIS planning. No multiyear estimates are available. Estimates based on conclusions from the FY 1995 proposed system requirements study will be available after that project.

## **Committee Conclusions and Recommendations for the Department of Transportation**

**FIMS and IMMS Needs Analyses.** In regard to FIMS and IMMS, the Committee is encouraged by the methodology being followed by KDOT in performing needs analyses for both projects. The JCCT will review the two needs analyses prior to deciding about project authorization or funds for FY 1996 to undertake development of either project. KDOT should submit to the JCCT both needs analyses after they are completed in FY 1995.



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## Regents Networking and Computing

**Library and College Networking.** A review of two proposals for networking was conducted by the Committee during the 1992 interim: linking the Regents university libraries in order to integrate the resources through an infrastructure to be called the Kansas Regents Network (KARENET) and establishing the proposed Kansas Research and Education Network (KANREN) to provide an infrastructure for transmission of information between Kansas postsecondary institutions. No funding was recommended by the Governor nor approved by the 1993 Legislature for KARENET or the Regents library initiative.

During the 1993 interim, Brice Hobrock, Chair of the Regents Council of Deans and Directors of Libraries and Dean of Libraries at Kansas State University, outlined the Regents renewed request for a \$3.5 million systemwide library access initiative. He said the proposal is designed to build additional infrastructure among the Regents libraries to deliver information resources among themselves and to other Kansans. He noted that the Regents libraries currently transport more than 50,000 items among themselves each year. Dean Hobrock said that funding was received in 1977 for creating an automated catalog system database among the Regents libraries; and in 1980, funding was provided for a local computer catalog on each campus. He stated that the current proposal would build on those previous investments and stressed that the assets held by the Regents libraries are the most important information resources in the state. Dean Hobrock said that each year the Regents libraries collectively spend more than \$10 million of state funds to buy new books and journals. He said the four components of the initiative are: (1) computer catalog improvement, (2) electronic database acquisition, (3) document delivery, and (4) systemwide connectivity. He stated that the proposal would provide for sharing of scarce resources, access for Kansans, linkage, added value to what is currently owned, and investment in infrastructure.

John Miller, Automation Librarian, University of Kansas, described what on-line interactive searches will accomplish and showed examples of the types of on-line access to other libraries both in the state and out of state which would be available. The keys to developing this access are data networks, protocols, local library systems, joint license agreements, and staff. He referred to several phrases used to describe the type of library the initiative seeks to build -- "virtual library," "library without walls," and "the network is the library." Mr. Miller said the goal is not only to increase access, but also to increase the efficiency of the faculty, staff, and students. He described the network links which start with an individual user and expand out to the Internet. He explained that it is necessary to link the several libraries on a single campus and the proposal contains some funding for that purpose.

Mr. Miller provided examples of network architecture. He discussed KANREN and said that while the 35 initial sites are all postsecondary locations, future expansion could include public libraries, schools, and other colleges which are not part of the original grant based project. The grant from the National Science Foundation of nearly \$700,000 will provide the connections to the Regents schools and other postsecondary institutions, and will form the systemwide backbone of the KANREN network. Mr. Miller listed the current electronic resources: library catalogs, other library databases, commercial databases, other campus and community information systems, and local area network resources. He discussed various choices to be made in creating an on-line catalog consortium and defined the concept of open systems and a client-server framework.

The Kansas Board of Regents is requesting in FY 1995 funding of \$3.5 million for the purpose of enhancing libraries at the Regents institutions. The money would become part of each institution's budget base and therefore would be a recurring expense each year. The Committee heard that the proposal would take six years to implement, with \$21.0 million applied to enhanced library funding over the period. The proposal has the following first-year components and costs:

1. \$1,228,845 for computer catalog improvement to enable all Regents libraries to complete the conversion of their card catalog records to computerize form;

2. \$1,060,465 for electronic database acquisition for expanding access to computerized information;
3. \$434,790 for enhanced document delivery to procure needed materials within 48 hours; and
4. \$775,900 for systemwide connectivity to provide linkage between Regents libraries and with other state, national, and international databases.

(Note: In subsequent years, the allocation of funds across categories would change.)

**Regents Computing.** Dr. Richard Mann, University of Kansas (KU) Director of Information Resources, reviewed computing activities and issues of the Regents institutions. He discussed the Regents Computer Advisory Committee (CAC) and reviewed their 1992 annual report. Dr. Mann summarized their strategic concerns: electronic access to information, network connections of microcomputers for all faculty and students, and the changing role of central services to becoming more service-oriented with less emphasis on processing. He reviewed the directions of computing activities: moving towards a central provision of computing support services, the expectation of a great increase in demand for on-line information resources, continuation of the purchase of microcomputers, continuation in investment in networks, the increasing responsibility for managing networks, the utilization of new methodologies and tools to replace administrative applications, looking for compatible applications for the school and between schools and state government, and the expectation of utilizing the Unix operating system.

Dr. Mann said the Regents CAC was formed in the late 1960s, meets about ten times a year, and holds an annual Conference on Higher Education Computing in Kansas. He advised that KU has traditionally had a shared academic and administrative computer center. He anticipates that within a couple of months, the academic computing center will no longer have a mainframe because most of the computing is being done at the desktop or on RISC processors. Dr. Mann added that the focus for academic computing has become providing services, providing software and providing specialized kinds of computing, with an emphasis on networking, consulting, education, and staff support. He said that the administrative area has attempted to reduce large expenditures and now shares a mainframe with the Medical Center. Dr. Mann noted that the administrative center emphasis is on developing software systems, applications systems and networking, with a decreasing focus on hardware. He said that Kansas State University is moving in much the same direction and, like KU, is attached to their mainframes by aging "legacy systems." Dr. Mann observed that there is a tremendous push to spread some of the applications to the desktop or minicomputers and to utilize the mainframe as a server. He said that all of the Regents institutions are moving towards an open architecture environment where products are purchased which meet certain standards, regardless of the vendor.

**Computer-Related Acquisitions.** Dr. David Shulenburg, Vice-Chancellor for Academic Affairs, described the role of computing in academic programs. He said that due to various factors, none of the Regents institutions is able to purchase the quantities of materials they once could, so the issue of accessibility is vital. Dr. Shulenburg said one of the major problems encountered by the deans is the purchase of microcomputers off the existing state contract and the fact that the marketplace is changing so rapidly, the equipment often can be purchased cheaper locally than off the state contract.

Dr. Mann described how microcomputers have increased productivity of the faculty, students, and staff, thus easing the demand for additional clerical staff. Because the microcomputers are used not only for computing and word processing but also communication, the demand for networking technologies is created. Dr. Mann advised that, in surveying concerns of other institutions, the item most often mentioned is the state contract for microcomputers. He stated that the vendor is a Kansas firm, based in Lawrence. One of the principal problems with the equipment is the inability of many units to be attached to existing local area networks without a great deal of staff time being required to adapt them to the network.

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Dr. Mann was asked for suggestions to resolve problems with the state microcomputer contract. He said that ideas range from completely eliminating a state contract to development of a two-tier contract, with one level for a national brand microcomputer which is guaranteed by the vendor to work in a network environment, and a second tier based on lowest cost but without a network compatibility requirement. He stressed that the problem is not price, but rather the capability and reliability to run in a complex network environment. It was noted that it is extremely difficult to specify quality in specifications and that the burden of proof for reliability is on the customer, not the supplier.

Gary Ott, Director of Computing and Telecommunications at Wichita State University, described some problems associated with the policies and procedures of the state procurement process and state contracts. He suggested that existing statutes and state purchasing procedures need to be updated. Reference was made to K.S.A. 75-4706 and K.S.A. 75-4709 in particular. The Committee asked for suggested changes to current law be prepared by Mr. Ott and others concerned, and for the proposed changes to be submitted in writing to the Committee for its review.

Jack Shippman, Director of Purchases, Department of Administration, was given an opportunity to respond. Mr. Shippman said that other state agencies had no problem with the state contract in question and that the number of complaint forms submitted was minimal. Reference was made to K.S.A. 75-3739(e) that specifications cannot be brand specific and to K.S.A. 75-3740 that the lowest responsible bidder be awarded a contract.

## **Committee Conclusions and Recommendations about Regents Matters**

**Library Initiative.** In regard to the Regents library proposal, the Committee notes that this is a multiyear project in which funding will be built into the base budgets of Regents institutions and that in future fiscal years, as parts of the project are completed, funding may be shifted to other project priorities.

Therefore, the Committee recommends that funding of \$1,836,365 from the State General Fund be appropriated in FY 1995 for the first year of this project.

The Committee's recommendation allows funding of what the JCCT believes are the two immediate priorities: electronic database acquisition (\$1,060,465) and system connectivity (\$775,900). Funding for computer catalog improvement and enhanced document delivery may be addressed within the Committee's recommended total funding, with resources available in later fiscal years after the first two priorities are implemented and one-time costs are met.

The Committee was encouraged to learn that NSF has provided a grant of federal funds which will benefit this project. The Regents are strongly encouraged to seek other grant funds to help finance this project.

**Computer Acquisitions.** In regard to personal computer acquisitions, the Committee recommends that the Secretary of Administration convene representatives of Regents institutions, other state agencies, and Department of Administration staff to resolve this issue. The Committee learned that the current state contract for DOS-based personal computers has been extended for another six months without consulting consumers about the product and discussing reported problems with the current contract machines. The Committee suggests that procedures for quality acceptance standards and tests of reliability be developed and included in future personal computer contracts to address consumer concerns about machines. The Secretary should report the results of the discussions with the parties identified in this recommendation to the JCCT at the start of the 1994 interim and prior to any extension of the personal computer contract.

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The Committee also addressed a Regents concern about DISC review of computer and other technology acquisitions. Legislation was introduced to raise thresholds for triggering future reviews. H.B. 2573 carries out this recommendation and was discussed previously in this report.

## **Judicial Branch**

The Committee approved during the 1993 Legislature the Judicial Branch plan for replacement of computer equipment in the Judicial Center. The multiyear cost was estimated at slightly less than \$1.9 million. A needs assessment of the district courts has been undertaken by a contractor, with a report due in 1994.

The agency estimates FY 1994 expenditures of \$658,949 and FY 1995 expenditures of \$586,653 for its planned replacement program in the Judicial Center.

**Committee Comment.** The JCCT is encouraged by the progress and approaches taken by the Court in addressing its needs and believes that the process is a model for the study of needs and acquisitions which other state agencies might look to as an example.

## **Legislative Computing**

The Director of Computing Services for the Legislature reported on legislative computerization. It was indicated that nearly everything recommended in the Andersen Consulting study of 1990 has been accomplished. The three objectives were improved communications, access to information, and increased productivity of legislative staff. Additionally, the goal was to provide positioning to build on future opportunities. The three phases of installing the legislative microcomputer network were:

1. legislative leadership offices, Legislative Administration Services, and Legislative Post Audit;
2. legislative standing committee chairpersons and ranking minority members; and
3. remaining legislative offices.

The network connections and the services offered on the network were reviewed. It was noted that the Legislative Coordinating Council has directed the Director to begin a new study to develop a plan to cover the next two to five years. Although the current network works well utilizing telephone wires, an upgrade would be necessary to utilize newer technologies. It is anticipated that the passage of the Americans With Disabilities Act will result in an increased number of requests for technological solutions to enable individuals with disabilities to better access the legislative process.

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## **INTERACTIVE VIDEO AND TELECOMMUNICATIONS**

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### **Task Force on Telecommunications**

This topic was studied by the JCCT during the 1992 interim. Last year the Committee heard several presentations about the new technologies and visited the Regents Educational Communications Center at Kansas State University and the interactive television studio at the Department of Education's Topeka facility to view these new video systems. A final report from the Governor's Task Force on Telecommunications which had been anticipated during the 1992 interim was delayed last year. A draft of that report was reviewed this interim. The

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Committee met jointly with the Economic Development Committee during the 1993 interim to hear the original presentation of the report.

Dr. Larry Gould, Chairperson of the task force and Dean of Liberal Arts and Sciences at Fort Hays State University, stated that the principal findings of the task force are:

1. Kansas end-users need a mechanism for having their voices heard regarding the future of the telecommunications environment;
2. Kansas needs a clearly identifiable point of intersection for coordination of information networking policy and needs of users;
3. Kansas needs to educate its citizens about the importance of a modernized information infrastructure and how it can affect their lives; and
4. an enhanced and fully modernized Kansas public switched network available in every part of the state is the only way in which every citizen's needs and applications will be met.

He stressed that there is not presently an equitable level of service across the state with regard to telecommunications technologies and services.

Dr. Gould described the vision and strategy developed by the task force -- Advantage Kansas. Some of the defining characteristics discussed by Dr. Gould were: digital dial tone for every Kansan, available and appropriate levels of service for every citizen, affordable for every Kansan, development of a statewide network of networks, an electronic commonwealth for every Kansan, and a system of public/private policymaking and governance for all Kansas stakeholders.

Dr. Gould urged that state agencies develop better in-house capability with regard to providing advice to citizens and businesses about telecommunications. He believes that the appropriate government/market mix in developing a telecommunications plan for the state should be "more market than government." He said that the task force proposes the formation of the Kansas Telecommunications Coordinating Council, chaired by a cabinet-level officer, to implement the recommendations of the task force and to effect planning and policy making for telecommunications and information networking. Two advisory groups would assist the council: the Information Networking Management Group and the Stakeholder Advisory Group.

Rob Hodges, Kansas Telecommunications Association, gave an overview of the structure of the telecommunications industry and how it operates. He noted that there are 38 telephone companies operating in Kansas (local exchange companies are referred to as LECs) and more than 50 companies involved in long-distance service (long distance companies are referred to as interexchange carriers -- IXC's). Mr. Hodges explained that a single long-distance call can involve several telecommunications companies. He pointed out that the telecommunications industry is dealing with rapid changes in the business environment as well as in the technical environment and is in a state of regulatory transition.

Dean Gould appeared at a subsequent Committee meeting and emphasized that the principal recommendation of the report is for the Governor, or Legislature, to establish a cabinet-level Kansas Telecommunications Coordinating Council (KTCC) to implement task force action items and to coordinate the state's long term planning and policymaking. He said the 50 action items contained in the report are predicated on the establishment of a KTCC. It is proposed that the council be made up of representatives of the Department of Administration; Department of Commerce and Housing; Kansas Corporation Commission; the Board of Regents; the Board of Education; Kansas Technology Enterprise Corporation; Kansas, Inc.; DISC; regulated industry; unregulated industry; a citizen appointee; and a director or secretary of information networking. The KTCC would receive assistance and input from a Stakeholders' Advisory Group and an Information Networking Management Group.

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Specifically, Dean Gould said that creation of the KTCC was the report's principal recommendation and that the new Council would be charged with the following responsibilities:

1. serve as an ongoing and institutionalized policy forum;
2. implement the "vision" and "agenda for action" found in the Regents Task Force report of July 1993;
3. use the Stakeholders' Advisory Group as a statewide mechanism for receiving the demand for services, quality, and applications from the state;
4. use the Information Networking Management Group as an advisory board to provide technical information;
5. act as a permanent, strategic planning mechanism;
6. build on existing public and private telecommunications resources;
7. initiate partnerships with the telecommunications industry;
8. develop alternative forms of regulation;
9. develop or identify standards for common communication interfaces and interoperability; and
10. integrate Kansas information networks.

Dean Gould suggested funding of \$484,500 in FY 1995 to support the staffing and meeting schedule for the new Council. A staff of 4.0 FTE positions would be needed, with salaries estimated at \$175,000 in FY 1995. Since the Governor has not endorsed the concept of a new Council, legislation from the JCCT may be required to allow the 1994 Legislature to consider this proposal, Dean Gould told the Committee.

## KANS-A-N Telephone Contract

The Deputy Director for Telecommunications, DISC, told the Committee about the process of rebidding the current state contract for KANS-A-N, the long distance network providing access for state agencies to worldwide telephone services. The RFP has been released, and DISC is meeting with potential bidders on a monthly basis to help them understand the RFP and to provide clarification to any questions they may have. The process will close on May 2, 1994, when bids are due. After the bid closing, the bids will be reviewed and DISC will begin negotiated procurement process. After an award has been made, DISC will work with the contractor(s) to plan the cutover which must occur by February 28, 1996, when the present contract expires.

## Interactive Video

After touring state facilities recently remodeled for interactive video conferencing and seeing a demonstration of the new system, the Committee scheduled a portion of its November agenda to be conducted by interactive video. The Regents librarians used facilities at the campus sites in Kansas City (Medical Center), Lawrence (University of Kansas), Pittsburg (Pittsburg State University), Emporia (Emporia State University), Manhattan (Kansas State University), and Hays (Fort Hays State University) to participate in the meeting about the Regents library initiative addressed elsewhere in this report.

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Lieutenant Governor Jim Francisco, Chairman of the Parole Board, requested permissive legislation that the Board would like to conduct a pilot interactive video project. The Board would like to conduct hearings at Norton State Hospital and Larned State Hospital by video to save time and costs of travel. Andy Scharf, DISC Bureau of Telecommunications, advised that a mobile unit costs about \$35,000 and a codec also costs about \$35,000, so the cost per facility would be approximately \$70,000.

## **Committee Conclusions and Recommendations**

### **About Telecommunications**

**Legislative Use of Interactive Video.** The Committee recommends that the Legislature utilize interactive video in the Statehouse. After using facilities in the Landon State Office Building for its own video conference in November, the Committee recognizes the great potential for this media. In the near future, legislative committees may use the existing video facilities. However, a site in the Capitol Building would be conducive to greater utilization of this media. The Committee encourages the LCC Subcommittee on Facilities to investigate the possibility of acquiring the necessary technology to operate a video conference room in the Statehouse.

**Interactive Video Bill.** The Committee recommends a bill which would allow the Parole Board to conduct its hearings by interactive video. S.B. 445 carries out this recommendation.

**KANS-A-N Recontracting.** The Committee plans to monitor the progress of this process during the 1994 interim and to receive reports about the technical aspects of the vendor proposals.

**Other Telecommunications Issues.** The Committee endorses the statement of goals for Kansas telecommunications which were issued by the Kansas Inc. Action Planning Committee on Telecommunications. Those goals include the following:

1. Complete a statewide inventory of the existing telecommunications infrastructure.
2. Create a telecommunications advisory committee to facilitate communication and coordination among various telecommunications stakeholders in Kansas.
3. Develop public policy goals and standards for Kansas integrating the recommendations from the telecommunications advisory committee.
4. Educate citizens about telecommunications technologies and services and how to use them, and about the future of telecommunications technologies and the benefits promised by that future.
5. Ensure that there is a focal point in the Kansas Legislature for telecommunications issues through a standing joint committee.

The Committee recommends that a State Plan for Telecommunications be developed. The Action Planning Committee may be able to suggest a plan or the Kansas Inc. committee may recommend the creation of an advisory council structure to facilitate the development of a state plan. The JCCT appreciates the recognition that it provides a focal point for telecommunications matters and urges the Kansas Inc. committee to present its future recommendations to the JCCT.

The Committee reviewed proposals for the national information infrastructure and believes that Kansas must position itself for the proposed national changes in order to compete for federal funding in the telecommunications field. A State Plan for Telecommunications is urgently needed, especially if Kansas is to compete successfully for federal funding.

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## ITEMS INCLUDED IN 1993 LEGISLATION

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The 1993 Legislature included provisions in several bills requiring reviews and in certain cases affirmative recommendations by the JCCT for the following agencies and information technology projects. The following agencies were required to have the JCCT review certain items as prescribed by 1993 legislation: Kansas Department of Health and Environment, Kansas Public Employees Retirement System, University of Kansas Medical Center, and Board of Indigents' Defense Services.

### **Section 5(b) of 1993 S.B. 57 – Kansas Department of Health and Environment**

The bill provides that no expenditures shall be made from the Sponsored Project Overhead Fund for any project to move the agency's water data base files and vital statistics data base system from the DISC mainframe computer to the agency's AS/400 computer systems, except upon approval of the State Finance Council. The bill further provides that prior to the approval by the State Finance Council of expenditures from this Fund, the JCCT shall review the costs and benefits of any project which shall be submitted separately by the agency and by DISC. The JCCT shall advise and make recommendations to the State Finance Council about the project and the amount of expenditures for the project.

Lorne Phillips, Director of Information Systems, Department of Health and Environment, described the agency's proposal to move two database applications. He noted that the provisions of 1993 S.B. 57 require the agency to submit a cost/benefit analysis to the JCCT and that the Committee would need to recommend to the State Finance Council release of the \$163,277 appropriated for the project. The project would move the Kansas Water Database and the Vital Statistics system from the SUPRA database on the mainframe to the agency's AS/400 network. Dr. Phillips said that moving the Water Database is relatively easy and basically requires only some additional disk space. However, he advised that moving the Vital Statistics system is a major project which will require 16 months to complete. Dr. Phillips discussed the benefits of the project and estimated that the agency's mainframe computer usage bill will be lowered by \$92,000 in FY 1995 and by \$184,000 each year thereafter, in addition to savings in maintenance costs and increasing staff productivity. Dr. Phillips noted that DISC had announced it would no longer support the SUPRA system after July 1, 1994, but has changed that date and the definition of "support" several times. He made reference to the cost comparisons he provided of moving the Vital Statistics system to the agency AS/400 network servers, staying with SUPRA, or moving to ADABAS (another system on the mainframe).

**Committee Recommendation.** The Committee recommended to the State Finance Council that the \$163,277 be released for implementation of the project to move the Kansas Water Database and the Vital Statistics system from the mainframe to the agency AS/400 network servers.

### **Section 4 (h) of 1993 S.B. 437 – Kansas Public Employees Retirement System (KPERs)**

A provision in this bill requires that prior to implementation of a proposed computer system upgrade and the acquisition of new hardware and software by KPERs, the JCCT shall review the proposed acquisitions to be submitted for FY 1994. No release of funding by the State Finance Council is required in this instance. KPERs had a needs analysis prepared for this project and the JCCT was presented that report at its meeting of March 11, 1993.

Meredith Williams, Executive Secretary of the Kansas Public Employees Retirement System (KPERs), related that the agency appeared before the JCCT in March to present their needs analysis and is



obligated to report on the proposed acquisitions for FY 1994 as required by proviso in the agency's appropriation bill for FY 1994.

John Marstall, Grant Thornton, summarized the KPERS needs analysis done by his firm (complete report is attached to the minutes of the March, 1993, JCCT meeting). They found:

1. a need for training of employees on software products already installed at KPERS,
2. a need to eliminate duplicate data entry,
3. a need to address attention to maintenance and reporting of information,
4. a need to address manual intensive processes, and
5. a need to utilize vendor support systems included in licensing fees.

Mr. Marstall said that Grant Thornton's recommendations include using KPERS existing resources; improving efficiency from not rekeying data, not performing manual reconciliations of data, and the elimination of hand calculations; continuing to use the services of DISC for the benefit payment system during the completion of the design, testing, and implementation of the claims system on an enlarged AS/400 platform, and high use of personal computers. Mr. Marstall pointed out the revised time schedule and funding costs for FY 1994 and FY 1995 which is submitted to fulfill the requirement of reporting this information to the JCCT.

**Committee Recommendation.** The Committee adopted a motion to accept the report of the Kansas Public Employees Retirement System regarding the implementation of the computer system upgrade and acquisitions of new hardware and software for which funds were appropriated during the 1993 Legislative Session.

### **Section 23(d) of 1993 S.B. 437 -- University of Kansas Medical Center**

The bill provides that no expenditures shall be made from the EDIF -- Integrated Computer System Fund, except upon approval of the State Finance Council. The bill further provides that prior to the approval by the State Finance Council of expenditures from this Fund, the JCCT shall review a needs analysis for the proposed computer system and software acquisition to be submitted by the Medical Center. The JCCT shall make recommendations to the State Finance Council about the proposed acquisition and the amount of expenditures appropriated for the proposed acquisition.

Staff from the Kansas Legislative Research Department provided background on the appropriation made to the University of Kansas Medical Center which includes \$350,000 (subsequently reduced by 1 percent) with a proviso that two-thirds of the costs of the system will be funded by the university hospital and the private practice foundations. It was pointed out that there are 14 separate not-for-profit foundations, by specialty, and that each of the foundations has a separate computer system for billing and scheduling.

Dr. Richard Mann, Director of Administration for the University of Kansas, provided an outline of problems with the current individual systems and the benefits of a consolidated system. Kim Russel, Chief Operating Officer of the University of Kansas Hospital, described the need for a coordinated patient information system. She noted that the primary impetus to move to an integrated system is patient dissatisfaction. Patients constantly express frustration in having to deal with a different computer system for each of the foundations and the hospital and being required to repeat demographic and insurance information at each clinic location. This results in a separate bill for the hospital and each foundation. Additionally, the current appointment system is uncoordinated. Ms. Russel pointed out that there is a greater chance of error where there are multiple entries

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of the same information. She noted that duplication exists among the various systems and the staff who support those systems. Health care providers, the managed care companies, and regulatory agencies are also demanding integrated systems. Ms. Russel added that it is important to provide students with experience in dealing with an integrated system.

Dr. David Voran, University of Kansas Medical Center, related that as a Clinical Assistant Professor in the Department of Family Practice as well as Assistant Director of Clinical and Academic Systems in the Department of Information Technology, he was personally involved with the operations of the current systems. He provided a status report on the search for the computer system. After hearing presentations last winter from three potential vendors, there was general consensus that a single system could be developed. A set of consensus priorities has been reached:

1. to have a shared dated base of demographics and diagnoses,
2. a coordinated statement for patient balances,
3. to coordinate and eliminate the multiple registrations,
4. to utilize economies of scale where possible, and
5. to utilize the existing hardware of the foundations.

Replies to an RFI, sent out in early July of 1993, will be evaluated to determine what vendors will later receive in an RFP.

In responding to questions from Committee members, Dr. Mann said moving to an integrated system at the Medical Center is not so much a technical issue as the issue of changing procedures which have been in place for 15-17 years. Dr. Voran explained that the cost of interfacing the existing systems is prohibitive. Mr. Mann noted that they have 360,000 out-patients a year. An additional requirement for their system relates to the vast differences in types of practice from a primary care practice, where there are huge numbers of patients with relatively small bills, to a special needs practice, where a single patient may have an extremely complex and intricate bill which accounts for 10 percent of the total annual income of the foundation.

**Committee Recommendation.** The Committee recommended the project favorably and further recommended that funding not to exceed \$346,500 be released by the State Finance Council.

### **Section 3(a) of 1993 H.B. 2045 – Board of Indigents’ Defense Services**

The bill provides that no expenditures shall be made for the acquisition of computer equipment, except upon approval of the State Finance Council. The bill further provides that prior to the approval by the State Finance Council of expenditures for computer equipment, the JCCT shall review a request for the acquisition of computer equipment. The JCCT shall make recommendations to the State Finance Council about the proposed equipment and the amount of expenditures appropriate for the proposed acquisition.

Melody Cathey, General Counsel, Board of Indigent’s Defense Services, advised that funds were appropriated for the purchase of 31 additional computers, with the proviso that the JCCT review the request for acquisition and make recommendations to the State Finance Council. She said that the agency was partially automated last year with the purchase of 40 computers, and this proposal will provide computers for the remaining employees. Ms. Cathey described the time savings resulting from computerization in the agency.

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**Committee Recommendation.** The Committee recommended to the State Finance Council that the State Board of Indigents' Defense Services be authorized to acquire 31 personal computers and funding for the purchases be released.

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## JOINT COMMITTEE ON COMPUTERS AND TELECOMMUNICATIONS

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Testimony Presented to House Committee on Governmental Organization  
Regarding H.B. 2682  
February 2, 1994

Representative Gary Hayzlett, Chairperson  
Representative George Dean, Ranking Minority Member  
Representative Jim Morrison

The Joint Committee on Computers and Telecommunications (JCCT) was established in 1992 by K.S.A. 46-2101 *et seq.*, which provides for its duties and authorizes the Committee to introduce legislation. The JCCT has authority to determine its own agenda and to meet upon the call of its Chair. Topics and proposals also may be referred to the JCCT by the Legislative Coordinating Council (LCC). The four main duties assigned the JCCT by its authorizing legislation include:

- studying computers, telecommunications, and information technologies used by state agencies;
- reviewing proposed new acquisitions, including budget estimates, and making recommendations to the Legislature;
- monitoring newly implemented technologies; and
- making reports to legislative committees as deemed appropriate and introducing legislation.

The JCCT is one of four such joint legislative committees nationally. Two of those committees, the Florida Legislative Information Technology Resource Committee and the Oregon Joint Committee on Information Management and Technology (formerly called the Joint Committee on Data Processing), preceded the Kansas enactment by nearly a decade. Wisconsin recently established a Joint Committee on Information Policy about the same time the Kansas entity was created in the early 1990s.

H.B. 2682 would abolish the JCCT by repealing its authorizing statutes (Sec. 35). Some of the duties currently performed by the JCCT would be transferred to the Fiscal Oversight Committee (which many of you know as the Legislative Budget Committee as it is called now) and that joint committee would be directed to make a continuous study of the state budget, revenues and expenditures *and computers, telecommunications and information technologies and acquisitions* (Sec. 10(b)). One of the JCCT's current statutory duties in K.S.A. 1993 Supp. 75-5147 of reviewing the Department of Revenue's "Request for Proposal" seeking a new automated tax system would be transferred to the Fiscal Oversight Committee (Sec. 33). Other statutory duties in K.S.A. 46-2102 would be repealed (Sec. 35).

Please allow me a few minutes of your time to review some of the events leading to the establishment of this Joint Committee and to explain why abolishing it might prove to be a costly mistake in times when we legislators are hard pressed to explain to our constituents why government is NOT always cost efficient or effective. Even before "reinventing government" gained national attention, problems within state government and the acquisition of new information processing technologies led this Kansas Legislature to create a new mechanism, namely the JCCT, to confront the issues which today have been defined as part of the "National Information Highway" phenomenon.

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## BACKGROUND LEADING TO COMMITTEE'S ESTABLISHMENT

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### Post Audit Findings

The Legislative Division of Post Audit, which has performed a number of audits on data processing applications, has found that most agencies have been lacking in the assessment of what their needs really are, and has summarized some of the most common problems that agencies have had in developing major systems:

1. Do not adequately manage the projects.
2. Pay firms for poor work -- no one is really held accountable.
3. Move on before fixing the problems.
4. Do not assign a high enough priority to developing and completing the systems.
5. Assign people with other full-time jobs to carry out important tasks.
6. Continue to modify systems throughout their development.
7. Do not provide the Legislature with the full costs of the project.
8. Make very bad estimates, often leaving out normal costs that someone should be able to help identify.
9. Consistently overestimate what state employees without the technical expertise can do.
10. Lack the knowledge and ability to realistically assess consultants' work.
11. Must fix systems that are designed to operate inefficiently and use their own staff resources because such problems are not discovered until after consultants have left.

Post Audit cites specific audit examples that illustrate some of these problems. The Kansas Business Integrated Tax System (K-BITS) in the Department of Revenue, was originally supposed to cost \$1.8 million. The project began in 1981 and originally was scheduled for implementation in two years. When the performance audit took place in 1987, the system had not been implemented and had already cost \$2.8 million. K-BITS was eventually abandoned. Post Audit concluded that the agency did not satisfactorily manage and oversee the project. Many of the problems with this project directly related to inadequate planning and project management.

There was a 1990 performance audit of the Comprehensive Automated Eligibility and Child Support Enforcement System (CAECSES), developed for the Department of Social and Rehabilitation Services (SRS) by a contractor. This system ended up costing more than twice as much as estimated and took about a year longer to become operational than the original estimate. Problems with the system included omission from early estimates of costs that could reasonably be expected with such a project. The agency did not provide the Legislature with estimates of the salary costs of agency staff dedicated to work on the system's development. The software contract was modified during development of the system. The agency had anticipated upgrading the hardware after implementation, but had not reported those costs to the Legislature. However, it became necessary to upgrade the hardware before implementation of the project could take place. The state's share of the system costs grew because the total cost of the system increased, hardware was financed because the federal government would not pay its

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share up front (as had been assumed by SRS), and the federal match (and resulting reimbursements) were less than SRS had anticipated.

A 1993 audit of the Kansas Financial Information Systems (KFIS), in the Department of Administration, examined another system plagued with problems. The base contract was for \$3.7 million, and, at the time of the audit (January, 1993), the project had cost \$6 million and only one of the four components had been completed. Post Audit detailed some of the problems with the project. The agency did not prepare detailed specifications when it requested proposals and could not adequately evaluate proposals because no needs assessment had been done. The contract did not clearly specify what was expected. There was inadequate assessment of what portions of the project state employees would complete, the time needed, or whether there was sufficient staff expertise. There were changes in the software design during its development and no process existed for resolving internal disagreements about changes. The project manager did not have experience with a project of this size and was not given sufficient authority and resources. The contract was revised to release the vendor of responsibility for completing the project. The agency underestimated the ongoing processing costs for the new system.

### **Establishment of Joint Committee**

Many legislators were concerned about these problems identified by Post Audit and the apparent lack of any oversight committee which could probe these information technology matters which continually appear before different legislative committees. There had been a House Committee on Communication, Computers and Technology which functioned for four years during the 1980s. By the 1990s, this subject matter had gained more attention as issues appeared more and more often before the Legislature.

The House Committee on Computers, Communications and Technology (HCCT) was established at the start of the 1991 Legislature and functioned until the conclusion of the 1992 Legislature. There was no corresponding Senate committee, and as a result, the HCCT recommended in 1991 H.B. 2578 to establish a Joint Committee on Computers and Telecommunications in order to provide an opportunity for Senators to review this subject matter in detail not afforded by a regular committee with many other duties.

The House passed H.B. 2578 in April of 1991. The Senate took no action on the bill during the 1991 Legislature. However, during the 1991 interim, the Department of Administration upgraded one of its computer centers. The 1991 Legislature had approved a proviso in an appropriations bill which prohibited the upgrade of the "UNISYS processing center, except in situations where the Secretary of Administration determines that a disastrous failure of the UNISYS processing center is imminent and will likely result if such expenditures are not made in a timely fashion." The Senate passed H.B. 2578 in 1992 establishing the new joint committee. The 1992 Legislature also appropriated funding to pay a consultant to analyze the state's requirements for automated payroll and personnel, partly in response to the problems with the KFIS project. The HCCT reviewed many issues referred to it during the 1992 Legislature by both House and Senate committees, including the question of what to do about KFIS. The 1993 performance audit of KFIS was requested by the HCCT.

### **Topics Reviewed during the 1992 Interim**

Among the issues studied by the JCCT in the 1992 interim were the release of funding for a new Kansas Lottery computer system, including hardware, software and installation; monitoring of 1992 H.C.R. 5050 which directed the Secretary of Administration to complete a needs analysis before undertaking further development of a new personnel and payroll system for the state; analysis of end-of-year purchases for FY 1992, with special attention focused on bulk approvals grants for the Regents institutions; review of the Kansas Open Records Act and other statutes pertaining to public access; study of proposals for library networking by the Regents university libraries in order to integrate the resources and resource-sharing through an infrastructure to be called the Kansas Regents Network (KARENET), including \$3.5 million in systemwide requests for FY 1994 to implement this network; and a review of information technology plans and budgets for FY 1993 and FY 1994 requesting computer hardware, software and telecommunications equipment.

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## Items Included in 1993 Legislation

During the 1993 Legislature, the JCCT met several times to review issues referred to it by standing committees: the acquisition by the Appellate Courts of a new computer system; the upgrade of a computer system for the KPERS functions; and the proposed acquisition of a new personnel and payroll system for the state.

The 1993 Legislature directed the JCCT to review the following agencies and certain items as prescribed by legislation: Section 5 of 1993 S.B. 57, Kansas Department of Health and Environment; 1993 S.B. 415, Department of Revenue; Section 4 of 1993 S.B. 437, Kansas Public Employees Retirement System; Section 23 of 1993 S.B. 437, University of Kansas Medical Center; and Section 3 of 1993 H.B. 2045, Board of Indigents' Defense. The Committee reviewed and approved during the 1993 interim all proposed projects mandated for review with the exception of the request for proposal (RFP) to be presented by the Department of Revenue for its new tax system authorized by S.B. 415.

As you can see by these examples, the Legislature has begun using the JCCT to delegate a number of matters for attention after the regular session has concluded.

## Topics Reviewed during the 1993 Interim

A copy of the JCCT interim report is available for your review. The Committee has functioned much like the Joint Committee on State Building Construction, and has presented a number of recommendations for both legislation and appropriations matters in its report to the 1994 Legislature. The Joint Committee is authorized to meet anytime, including the interim and the session, if issues need attention. Among the topics studied this past interim were a review and recommendations for changing current statutes regarding state purchases of information technology; the Department of Administration proposal and budget for implementing a multi-million dollar, new central personnel and payroll system for the state; computer assisted mass reappraisal and the possible life cycle replacement of the current hardware and software at the county level; \$20 million in proposed SRS systems development projects; \$10-12 million in proposed KDOT systems development projects; the Regents proposed \$3.5 million library initiative; computerization of the legislative and judicial agencies of state government; and interactive video and telecommunications, including the upcoming KANS-A-N bidding process.

## Conclusion

As a relatively new committee, the JCCT has established its identity through its work during the 1992 and 1993 interims as well as the 1993 session when it met occasionally. Since legislators are already in Topeka during the regular sessions, there is no cost for such committee meetings. The cost for a six member committee (such as the JCCT) during the interim is much less than committees with 13 or 19 members. For example, six meetings of the JCCT in FY 1994 during the interim would cost no more than \$13,700, whereas six meetings of a 13 member committee would cost almost \$30,000 and a 19 member committee would cost about \$43,700. The recommendations contained in the JCCT report to the 1994 Legislature potentially could save the state much more than the cost of its six meetings during the summer and fall of 1993. We consider these interim expenses to be an investment well worth continuing to make when you consider the computer hardware, software, telecommunications, and other information technologies, such as imaging and interactive video, for which the state will spend in excess of \$100 million over the next decade. JCCT members have spent many hours reviewing and learning about computers, telecommunications and information technologies. It would be a shame to lose that collective knowledge by dissolving the JCCT.

In as much as the House Committee on Governmental Organization has been interested in "reinventing government" and finding more cost efficient and effective ways of bringing government services to the people, please consider the innovative nature of this Joint Committee on Computers and Telecommunications which breaks the mold of the older, more traditional standing committees of the Legislature, and which offers an opportunity to confront a subject matter which no other standing or joint committees of the Legislature have either the time, or the knowledge, to take on these issues "head to head."

NOVEMBER  
1993



OFFICE OF TECHNOLOGY ASSESSMENT ■ U.S. CONGRESS

# REPORT *brief*

## Equitable and cost- effective electronic delivery of services is not assured

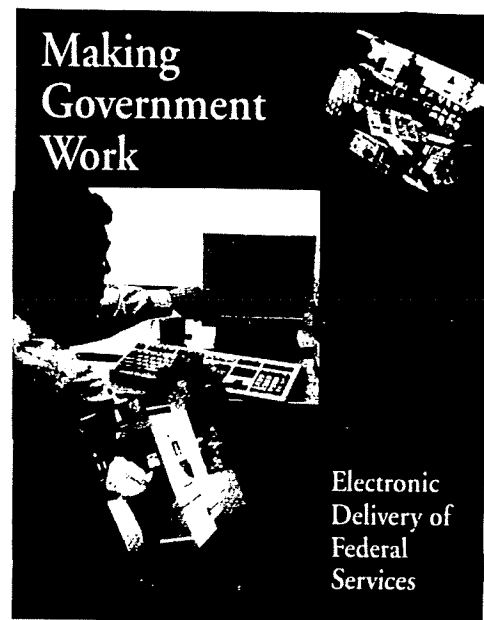
The American public wants better services from government at less cost. This is a tough order at a time when demand is growing and budgets are tighter. The administration's "National Performance Review (NPR)" and "National Information Infrastructure (NII)" initiatives place high hopes on information technology to help improve the overall performance of the Federal Government. OTA's **Making Government Work: Electronic Delivery of Federal Services** concludes that computer and telecommunications technologies will play an important role, but emphasizes that improvements in service delivery are by no means assured.

Will information technology make it easier for all Americans—rural and urban, young and old, affluent and impoverished—to obtain the government services to which they are entitled? Or will electronic delivery further widen—rather than narrow—the gap between the information technology "haves" and "have-nots" and simply increase the advantages that educated, technically proficient citizens have over those less so? Many of the potential social benefits of electronic delivery will be lost if information technology is not widely accessible, usable, and affordable.

Will electronic delivery simplify the provision of government services and improve cooperation among Federal agencies and their State and local government counterparts, resulting in less costly and more effective delivery? Or will electronic delivery add yet another complication to the already confusing, cumbersome manner in which governments organize and deliver many services? Many of the potential economic benefits of electronic delivery will be lost if the Federal Government fails to capitalize on

opportunities for innovation or does not develop economies of scale and scope through partnerships among Federal, State, and local agencies and the private sector.

These challenges are immense. The administration's NPR and NII initiatives provide important vision and general direction, but neither offers detailed policy guidance and actions that are needed to speed the transition toward cost-effective and equitable electronic delivery.



### A STRATEGY FOR SUCCESS

OTA identifies seven key strategic elements of successful electronic delivery. These would, if implemented, constitute the backbone of a governmentwide electronic service delivery initiative and a shift towards a creative, accessible, citizen- or client-centered approach to service delivery. These elements include:



# OTA REPORT *brief*

**Table 1**  
**Illustrative**  
**guidance to**  
**Federal agencies**  
**on electronic**  
**service delivery**

Success factor	Possible congressional or Office of Management and Budget guidance
Grassroots citizen involvement	Required component of all electronic delivery project plans; 0.25% minimum set-aside from agency information technology (IT) budget
Community infrastructure development	Optional component of project plans; but 0.25% minimum set-aside from agencywide IT budget allocated to infrastructure development
Encouraging innovation	Required agencywide program; 0.5% minimum set-aside from agency IT budget; required participation in innovation clearing-house
Creating directories	Required; each agency to plan and implement directory (or directories) to agency services and information; required participation in governmentwide directory
Creating alternative futures	Required component of agency annual and 5-year Information Resource Management (IRM) plans
Strategic partnering	Required component of agency annual and 5-year IRM plans; optional component of project plans, but must be considered
Pre-operational (pre-op) testing:	Prerequisite for all medium- to large-scale regional or nationwide electronic delivery systems
■ Pre-op evaluation	Required component of pre-op testing plans; 5% minimum set-aside from pre-op testing budget
■ Policy development	Required component; 5% minimum set-aside from pre-op budget

The Office of Technology Assessment is an analytical arm of the U.S. Congress. OTA's basic function is to help legislators anticipate and plan for the positive and negative effects of technological changes.

- involving local citizens and recipients of Federal services at the grassroots level;
- developing the community infrastructure of schools, libraries, community centers, and other local agencies that can facilitate electronic delivery through training, education, and implementation;
- encouraging innovation by Federal agency employees, clients, and others in trying new ways of delivering services electronically;
- creating directories to agency services (including information services and information about other services);
- creating alternative futures for electronic delivery by generating new ideas for the

use of information technology and matching electronic opportunities with agency missions;

- strategic partnering between Federal and State/local government agencies; voluntary, not-for-profit, or philanthropic organizations; and commercial companies engaged or interested in electronic delivery; and
- pre-operational testing of electronic delivery systems on a regional or national scale prior to full deployment, including explicit early attention to performance evaluation and policy development.

Congress could: a) require that these strategic elements be included in Federal agency

# OTA REPORT *brief*

Policy Area	Action options
Electronic delivery success factors	Include in Paperwork Reduction Act (PRA) reauthorization Office of Management and Budget (OMB) guidance (see table 1)
Agency and governmentwide directories	Include in PRA, OMB review and guidance
Information resources management (IRM) for electronic delivery	Use PRA to redefine IRM role in service delivery <ul style="list-style-type: none"> <li>strengthen IRM leadership and training</li> <li>refocus Federal IRM organizations</li> <li>redefine agency annual and 5-year planning</li> <li>mandate a clearinghouse on electronic delivery innovations</li> <li>mandate electronic delivery technology plan</li> </ul>
Information policies for electronic delivery	Include pricing and access policies in PRA Update and extend applicability of Privacy Act, establish a Privacy Protection Commission Update open government statutes (Government in the Sunshine Act, Federal Advisory Committee Act, Federal Records Act, Freedom of Information Act) Update Computer Security Act Revise procurement practices
Telecommunications infrastructure	Rethink role of FTS2000 follow-on Redefine use of FTS2000 in electronic delivery Mandate interoperability Revise the concept of universal telephone service
Computer networking	Mandate Federal agency use for electronic delivery Mandate universal, affordable access to networking, including rural and remote access

**Table 2**  
**Setting policy**  
**on electronic**  
**delivery**

plans and budgets for electronic delivery; b) reinforce their importance when reauthorizing the Paperwork Reduction Act (PRA) and through annual appropriations; and c) work with, and monitor, the Office of Management and Budget (OMB) to develop detailed guidance for delivery of government services. A possible set of directives (table 1) includes specific budget set-asides (a proportion of each agency's information technology budgets) for grassroots involvement, community infrastructure development, innovation, and pre-operational evaluation—activities that otherwise are likely to be underfunded.

## OTHER CONGRESSIONAL ACTIONS

Citizens need to know what services exist and how to obtain them. They also must be able to access the electronic systems needed to receive the services. Congress could direct the executive branch to develop directories or "electronic road maps" to help citizens identify and locate needed services and direct OMB to review agency activities to assure access for citizens who might otherwise fall through the cracks of electronic delivery.

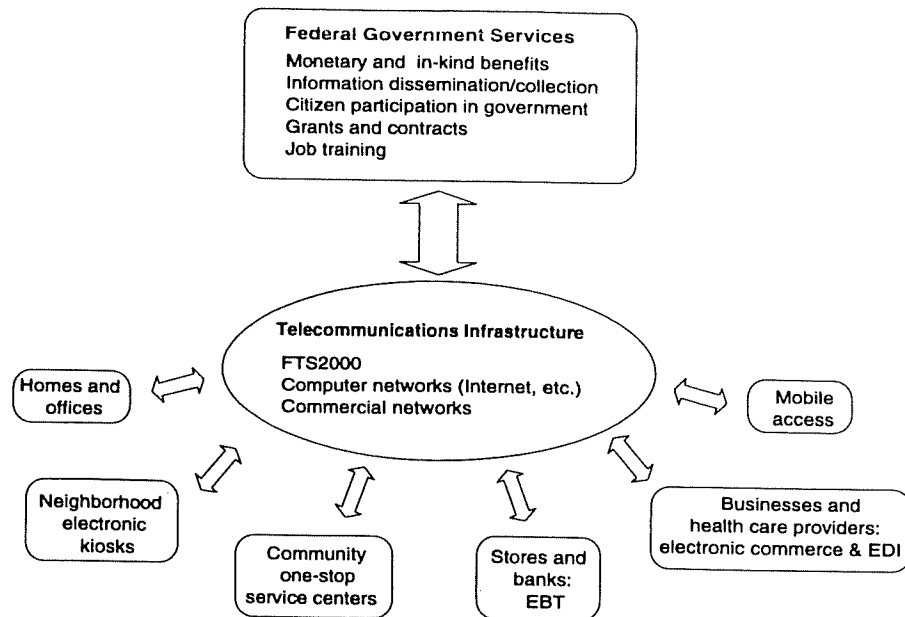
The management structure for Federal information technology applications is outdated and needs to be redesigned, as some States

# OTA REPORT *brief*

**Figure 1**  
**Role of**  
**telecommunications**  
**infrastructure in**  
**delivering Federal**  
**services via six**  
**points of access**

Note: The Federal services and infrastructure components shown are illustrative, not comprehensive.

Key: EBT=Electronic Benefits Transfer; EDI=Electronic Data Interchange; FTS2000=The Federal long-distance telecommunications program.



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have begun to do. This will be a difficult process. Significant change is needed to jump-start the Federal Information Resources Management (IRM) bureaucracy in directions that emphasize service to the citizen and electronic delivery. Congress could use amendments to the PRA, or equivalent legislation, to provide a clear sense of legislative intent. (See table 2.)

The telecommunications infrastructure is an essential part of electronic delivery. (See figure 1.) The Federal Government has not linked electronic service delivery needs and opportunities with the capabilities offered by private sector vendors. For electronic delivery to reach its potential, citizens need easily available and affordable access to advancing telecommunications and computer networking. Congress must play an active role to achieve this.

Federal information policies are becoming more and more outdated as the trend toward electronic delivery accelerates. This requires that statutes on privacy, security, records management and archiving, procurement, open government, and freedom of information be updated.

Congress also can use electronic delivery for its own purposes: videoconferencing for committee hearings; electronic bulletin boards for hearing schedules and legislative materials; and computer conferences for public input and dialogue. Delivering services electronically could further open Congress to the people, strengthen the role of Congress as the people's branch of government, and, in the process, set an example for the executive branch and the Nation.



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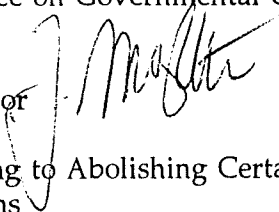


## KANSAS MEDICAL SOCIETY

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February 2, 1994

TO: House Committee on Governmental Organization and Elections

FROM: Jerry Slaughter  
Executive Director 

SUBJECT: HB 2682; Relating to Abolishing Certain Committees  
and Commissions

The Kansas Medical Society appreciates the opportunity to appear on HB 2682, which among other things, would abolish the Health Care Stabilization Fund Oversight Committee. The relevant sections of this bill which concern us are found beginning with Section 8 on page 5, through Section 10 on page 10. Our concern with this bill is its proposed abolishment of the Oversight Committee. We support the continuation of the Oversight Committee, and have attached to our testimony are amendments which would accomplish this.

By way of background, we would like to provide you a little more information about the Health Care Stabilization Fund and the Oversight Committee. The Health Care Provider Insurance Availability Act, K.S.A. 40-3401 *et seq.*, is the lengthy statute which governs the operation of the Health Care Stabilization Fund. The Health Care Stabilization Fund is the state administered fund established in 1976 to provide higher limits of medical malpractice insurance coverage to physicians, hospitals, and other health care providers. The Fund was created because the "excess" insurance market had dried up, making insurance coverage unavailable to health care providers during the prolonged medical malpractice insurance crisis in the mid-70's.

Kansas was one of about seven or eight states which established patient compensation funds such as our HCSF. These funds served the dual purpose of providing insurance to health care providers, and assuring payment of meritorious claims to injured plaintiffs. While there have been rocky times during our Fund's 18 year existence, it has basically operated as it was intended. Today it is actuarially sound, with assets which exceed \$180 million. It continues to provide insurance and pay claims, and it has, indeed, provided stability to the medical malpractice insurance system.

In 1989 the Legislature created the HCSF Oversight Committee in order to have an ongoing mechanism to study and advise the Legislature on the status and operations of the Fund and the market for professional liability insurance. The Oversight Committee consists of 11 members, including four legislators, four health care providers, one insurance industry representative, one member of the public, and the Commissioner of Insurance. The committee monitors the operation of the Fund, makes recommendations as to necessary changes in the Fund law, and

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supervises an independent actuarial analysis of the Fund's financial condition, which is done on an annual basis.

I believe there is general agreement among most affected parties, including health care providers, that the Oversight Committee serves a valuable function and should be continued indefinitely. The independent actuarial analysis conducted for the Oversight Committee is important, and has been quite helpful. It should be pointed out that the independent actuarial analysis is paid for by the Fund, and no taxpayer dollars are involved.

This year the Oversight Committee believed that it was reasonable to ask the Fund - actually the health care providers who pay surcharge premiums into the Fund - to cover the costs of operating the Oversight Committee, which will probably run a little less than \$1,000 a year. A bill to transfer the funding responsibility from the state general fund to the Health Care Stabilization Fund has been introduced, SB 474. This bill was reported out favorably by the Senate Financial Institutions and Insurance Committee, and is currently awaiting action on the Senate floor. We support this concept, and believe the Oversight Committee's expenses should be paid for by the Fund instead of the state general fund.

Consequently, we would oppose the abolishment of the Oversight Committee which is contained in HB 2682. We believe the Oversight Committee serves a valuable function, and should be continued. Since legislation is pending which would continue the Fund at no cost to the taxpayer, we believe the provisions abolishing the Oversight Committee should be deleted from HB 2682.

I would be happy to respond to any questions you have concerning our suggested amendments. We appreciate your consideration of our comments.

JS:ns

Attachment

information required in subsection (a)(1) and (a)(2).

(d) In lieu of a claims made policy otherwise required under this section, a person engaged in residency training who is providing services as a health care provider but while providing such services is not covered by the self-insurance provisions of subsection (d) of K.S.A. 40-3414 and amendments thereto may obtain basic coverage under an occurrence form policy if such policy provides professional liability insurance coverage and limits which are substantially the same as the professional liability insurance coverage and limits required by subsection (a) of K.S.A. 40-3402 and amendments thereto. Where such occurrence form policy is in effect, the provisions of the health care provider insurance availability act referring to claims made policies shall be construed to mean occurrence form policies.

(e) The provisions of this section shall expire on July 1, 1994, if the health care stabilization fund oversight committee recommends provisions that are enacted on or before July 1, 1994, which: (1) Provide for the equitable apportionment of risk among insurers of applicants for professional liability insurance, who are unable to procure such insurance through ordinary methods after June 30, 1994; (2) provide for the apportionment, on a pro-rata basis, of any balance remaining in the fund after all liabilities have been paid, to each health care provider who paid the applicable surcharge levied pursuant to K.S.A. 40-3404, and amendments thereto, during the period July 1, 1991, to June 30, 1994; and (3) provide a plan for addressing the professional liability insurance needs of faculty, residents and private practice foundations and corporations at the university of Kansas school of medicine after June 30, 1994.

Sec. 9. K.S.A. 40-3403b is hereby amended to read as follows:

40-3403b. (a) There is hereby created a health care stabilization fund oversight committee to consist of eleven members, one of whom shall be the commissioner of insurance or the commissioner's designee, one of whom shall be appointed by the president of the state senate, one of whom shall be appointed by the minority leader of the state senate, one of whom shall be appointed by the speaker of the state house of representatives, one of whom shall be appointed by the minority leader of the state house of representatives and six of whom shall be persons appointed by the legislative coordinating council. The four members appointed by the president and minority leader of the state senate and the speaker and minority leader of the state house of representatives shall be members of the state legislature. Of the six members appointed by the legislative

re-insert existing language

1 coordinating council, four shall either be health care providers  
 2 or be employed by health care providers; one shall be a rep-  
 3 resentative of the insurance industry and one shall be ap-  
 4 pointed from the public at large who is not affiliated with any  
 5 health care provider or the insurance industry; but none of  
 6 such six members shall be members of the state legislature.  
 7 Members serving on the committee on the effective date of  
 8 this act shall continue to serve at the pleasure of the appointing  
 9 authority.

10 (b) The legislative coordinating council shall designate a  
 11 chairperson of the committee from among the members thereof.  
 12 The committee shall meet upon the call of the chairperson. It  
 13 shall be the responsibility of the committee to make an annual  
 14 report to the legislative coordinating council on or before Sep-  
 15 tember 1 of each year and to perform such additional duties  
 16 as the legislative coordinating council shall direct. The report  
 17 required to be made to the legislative coordinating council shall  
 18 include recommendations to the legislature on the advisability  
 19 of continuation or termination of the fund or any provisions of  
 20 this act, an analysis of the market for insurance for health care  
 21 providers; recommendations on ways to reduce claim and op-  
 22 erational costs of the fund; and legislation necessary to imple-  
 23 ment recommendations of the committee.

24 (c) (a) *The legislative coordinating council may contract with an*  
*actuarial firm for an actuarial review of the health care stabilization*  
*fund.* The commissioner or the commissioner's designee shall provide  
 any consulting actuarial firm contracting with the legislative coord-  
 inating council with such information or materials pertaining to the  
 health care stabilization fund deemed necessary by the actuarial firm  
 for performing the requirements of any actuarial reviews for the  
 health care stabilization fund oversight committee ~~legislative co-~~  
~~ordinating council~~ notwithstanding any confidentiality prohibition,  
 restriction or limitation imposed on such information or materials by  
 any other law. The consulting actuarial firm and all employees and  
 former employees thereof shall be subject to the same duty of con-  
 fidentiality imposed by law on other persons or state agencies with  
 regard to information and materials so provided and shall be subject  
 to any civil or criminal penalties imposed by law for violations of  
 such duty of confidentiality. Any reports of the consulting actuarial  
 firm shall be made in a manner which will not reveal directly or  
 indirectly the name of any persons or entities or individual reserve  
 information involved in claims or actions for damages for personal  
 injury or loss due to error, omission or negligence in the performance

re-insert existing language

health care stabilization fund oversight  
 committee

1 of professional services by health care providers. Information pro-  
 2 vided to the actuary shall not be subject to discovery, subpoena or  
 3 other means of legal compulsion in any civil proceedings and shall  
 4 be returned by the actuary to the health care stabilization fund.

5 (d) ~~The staff of the legislative research department, the of-~~  
 6 ~~fice of the revisor of statutes and the division of legislative~~  
 7 ~~administrative services shall provide such assistance as may be~~  
 8 ~~requested by the committee and to the extent authorized by~~  
 9 ~~the legislative coordinating council.~~

10 (e) ~~Members of the committee attending meetings of the~~  
 11 ~~committee, or attending a subcommittee meeting thereof au-~~  
 12 ~~thorized by the committee, shall be paid compensation, travel~~  
 13 ~~expenses and subsistence expenses as provided in K.S.A. 75-~~  
 14 ~~3212, and amendments thereto.~~

15 (f) (b) This section shall be a part of and supplemental to the  
 16 health care provider insurance availability act.

17 Sec. 10. K.S.A. 40-3415 is hereby amended to read as follows:  
 18 40-3415. The board of governors, the commissioner, the attorney  
 19 general, ~~the health care stabilization fund oversight committee~~  
 20 and the officers and employees of the state agencies which license,  
 21 register, certify or otherwise regulate health care providers are au-  
 22 thorized and directed to consult with and assist each other in main-  
 23 taining compliance with the provisions of this act.

24 Sec. 11. K.S.A. 46-1208 is hereby amended to read as follows:  
 25 46-1208. (a) There is hereby established the ~~legislative budget fiscal~~  
 26 ~~oversight~~ committee which shall consist of seven members of the  
 27 legislature appointed by the legislative coordinating council for terms  
 28 ending on the first day of the regular legislative session in odd-  
 29 numbered years. In making such appointments, preference shall be  
 30 given to members of the ways and means committee of the senate  
 31 and the committee on appropriations of the house of representatives.  
 32 At least two of the members shall be of the minority party, at least  
 33 one of whom shall be a senator and at least one of whom shall be  
 34 a representative. The chairperson and the vice-chairperson of the  
 35 ~~legislative budget fiscal oversight~~ committee shall be appointed by  
 36 the legislative coordinating council.

37 (b) During and between sessions of the legislature the ~~legislative~~  
 38 ~~budget fiscal oversight~~ committee shall compile fiscal information  
 39 and shall make a continuous study of the state budget, revenues  
 40 expenditures and computers, telecommunications and informa-  
 41 tion technologies and acquisitions. The ~~legislative budget fiscal~~  
 42 ~~oversight~~ committee shall also ascertain facts and make recommen-  
 43 dations to the legislature and to the houses thereof concerning the

re-insert existing language

, the health care stabilization fund oversight  
 committee