

Approved: 3/16/94  
Date

## MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on March 15, 1994 in Room 123-S of the Capitol.

Members present: Senators Burke, Downey, Feleciano, Gooch, Harris, Hensley, Kerr, Petty, Ranson, Reynolds, Salisbury, Steffes and Vidricksen

Committee staff present: Lynne Holt, Legislative Research Department  
Jerry Ann Donaldson, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee: Ron Green, Legislative Division of Post Audit

Others attending: See attached list

### A K-Goal Audit of the Kansas Department of Commerce and Housing

Ron Green, Legislative Division of Post Audit, reviewed the K-Goal performance audit of the Department of Commerce and Housing. The Kansas Governmental Operations Accountability Law (K-Goal) requires the Legislative Division of Post Audit to conduct a performance audit of specified State agencies each year on an eight-year cycle. The purpose of these audits is to periodically review the operations of the selected agencies; determine the necessity, propriety, and legality of the operations; identify areas of inefficiency and ineffectiveness; and provide information to allow the Legislature to take action to retain appropriate and effective governmental operations, and terminate inappropriate or obsolete governmental operations. The Legislative Division of Post Audit reviewed the economic development activities of the Department of Commerce and Housing.

Mr. Green stated the audit addressed the following questions: 1). Is the Department of Commerce and Housing achieving its economic development goals? 2). What effect has creating the Division of Housing within the Department had on economic development activities of the other divisions? 3). Did the Department give proper notice of a public hearing held to consider possible amendment of the State Community Development Block Grant Plan? The audit found that the Department of Commerce and Housing often cannot determine whether the programs are achieving the intended results. In programs for which the Department has gathered meaningful data, the programs generally showed positive results. Four of the five divisions reviewed could demonstrate economic results in accord with their missions. The creation of the Division of Housing has had little effect on the activities of the other divisions. In terms of staffing and programs, the Community Development Division has been affected most by the creation of the Division of Housing. In one instance, State funds originally intended for use in the Division of Housing were legally reallocated to the Division of Travel and Tourism Development. The audit also found that the Department did not give proper notice about a public hearing in September 1993, but the Department did not take any action to implement the flood relief proposal that prompted the hearing.

### Consideration of confirmations:

Senator Steffes moved to recommend the appointment of Dan C. McClenny to the Employment Security Board of Review. Senator Feleciano seconded the motion.

Senator Burke made a substitute motion to report the nominee to the Senate for consideration without recommendation. Senator Reynolds seconded the motion and the substitute motion carried on a roll call vote.

Senator Feleciano moved and Senator Burke seconded to recommend confirmation of the appointment of William J. Wilhelm and the reappointment of F. Victor Sullivan to the Kansas Technology Enterprise Corporation Board of Directors. The motion carried on a roll call vote.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m.  
on March 15, 1994.

The Chairman adjourned the meeting at 9:00 a.m.

The next meeting is scheduled for March 16, 1994.

## GUEST LIST

COMMITTEE: SENATE COMMERCE COMMITTEE

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