

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY COMMITTEE

The meeting was called to order by Representative Mike Burgess, Chair, at 3:30 p.m., February 14, 2011 in Room 546-S of the Capitol.

All members were present except:

Representative Rocky Fund - Excused
Representative Kay Wolf - Excused

Committee staff present:

Julian Efird, Legislative Research
Iraida Orr, Legislative Research
Katherine McBride, Revisor of Statutes
Renaë Jefferies, Revisor of Statutes
Linda Herrick, Committee Assistant

Conferees appearing before the Committee:

Luke Bell, Kansas Association of Realtors
Lindsey Douglas, Kansas Department of Transportation
Amy Garton, Frontier Military Scenic Byway
Jim Huston, Highway Advisory Commission
Gary Reser, Kansas Veterinary Medical Association
Daniel Rothschild (via Skype), Mercatus Center
Jerry Younger, Kansas Department of Transportation

Others attending:

(see attached list)

Chair Burgess opened the hearing on **HB 2230 - Repealing K.S.A. 68-1038**, and called upon Katherine McBride to give a briefing. Ms. McBride reported that this bill abolishes the Frontier Military Scenic Byway. There were no questions, and Chair Burgess thanked Ms. McBride for the briefing. The Chair called upon the proponents of the bill to testify. Appearing were:

Amy Garton, Chair, Frontier Military Scenic Byway; and Marketing Manager, Overland Park Convention and Visitors Bureau (Attachment 1)
Lindsey Douglas, Chief of Governmental Affairs, Kansas Department of Transportation (Attachment 2)

Amy Garton works for the Overland Park Convention and Visitors Bureau and also serves as the Chair of the Frontier Military Scenic Byway Committee. Repealing this bill would allow the Byway to be moved under the Kansas Byways Program and its enrichment and marketing efforts. The FMSB Committee feels this change would assist in the re-application process as a national byway designation and would change its name to Frontier Military Historic Byway. Lindsey Douglas, Chief of Governmental Affairs, Kansas Department of Transportation, also testified as a proponent to the bill. The Department of Transportation concurs with the Byway Committee and feels the route is better suited as an "historic" byway. With no other proponents, opponents, or neutrals, and no questions, the hearing on this bill was closed by the Chair.

Chair Burgess then opened the hearing on **HB 2175 - Abolishing the Highway Advisory Commission**. Katherine McBride provided the briefing. The first statute repealed by the bill, K.S.A. 75-5002, established the highway advisory commission, while the latter statute repealed by the bill, K.S.A. 75-5003, referred to the organization, meetings, minutes, cost, etc. of the commission. There were no questions and Chair Burgess thanked Ms. McBride for the briefing. The Chair called upon the proponents of the bill to testify. Appearing were:

Jan Huston, Chair, Highway Advisory Commission from Americus, Kansas (Attachment 3)
Jerry Younger, Deputy Secretary for Engineering & State Transportation Engineer,
Kansas Department of Transportation (Attachment 4)

With no other proponents, opponents, or neutrals, and no questions, the hearing on this bill was closed.

CONTINUATION SHEET

Minutes of the House Government Efficiency Committee at 3:30 p.m. on February 14, 2011, in Room 546-S of the Capitol.

Chair Burgess then opened the hearing on **HB 2120 - Kansas government effectiveness and efficiency commission act**. Katherine McBride gave a briefing on the bill. This bill would establish the Kansas streamlining government commission, providing for an independent review of state agencies of the executive branch of state government.

The Chair called upon proponents of the bill to provide testimony. They were:

Daniel Rothschild (via Skype), Managing Director, State and Local Policy Project, Mercatus Center, George Mason University ([Attachment 5](#))

Written Testimony only:

Dave Trabert, President, Kansas Policy Institute ([Attachment 6](#))

Kent Eckles, Vice President, Government Affairs, Kansas Chamber of Commerce ([Attachment 7](#))

Derrick Sontag, Americans for Prosperity-Kansas ([Attachment 8](#))

Scott Douglas, Larned, Ks ([Attachment 9](#))

The Chair called upon opponents of the bill to provide testimony. Appearing was:

Gary Reser, Executive Vice President, Kansas Veterinary Medical Association ([Attachment 10](#))

Mr. Reser asked for amendments to the bill to exclude agencies that are exclusively fee funded and receive no State General Fund (SGF) monies. He agreed with the amendment being offered by the Kansas Association of Realtors as well.

The Chair called upon neutrals of the bill to provide testimony. Appearing was:

Luke Bell, Vice President, Governmental Affairs, Kansas Association of Realtors ([Attachment 11](#))

Mr. Bell asked for amendments to the bill to exclude the Kansas Association of Realtors and provided proposed amendments, including the definition of a fee funded state agency.

With no other proponents, opponents, or neutrals, and no questions, the hearing on this bill was closed.

Chair Burgess then opened discussion on **HB 2140 - Repealing certain expired committees, task forces and requests for reports to the legislators**. Representative DeGraaf made a motion for favorable passage of this bill, and it was seconded by Representative Ruiz. The Committee voted unanimously to approve the motion.

The next meeting is scheduled for February 15, 2011.

There being no other business, the meeting was adjourned at 4:35 p.m.

**HOUSE GOVERNMENT EFFICIENCY AND FISCAL
OVERSIGHT COMMITTEE**

GUEST LIST

DATE: 2-14-2011

[illegible]



Testimony in favor of HB 2230

By Amy Garton

February 14, 2011

Frontier Military Scenic Byway
9001 W. 110th St., Ste. 100
Overland Park, KS 66210
913-491-0123

Frontier Military Scenic Byway
extends 167 miles in
eastern Kansas, including the
following counties:

Leavenworth County
Wyandotte County
Johnson County
Miami County
Linn County
Bourbon County
Crawford County
Cherokee County

Frontier Military Scenic Byway
Leadership:

Amy Garton
Chair

Kevin Fern
Advocacy Chair

Scott Shields
KS Byways Program Liaison

Sue Stringer
KS Byways Program Liaison

Mister Chair and Honorable Committee Members,

Thank you for the opportunity to present testimony in favor of HB 2230. On behalf of the Frontier Military Scenic Byway (FMSB) Committee, I would like to offer support for repealing K.S.A. 68-1038, which would allow the Byway to move under the Kansas Byways Program and its management and marketing efforts.

At the September 7, 2010 meeting of the FMSB Committee, the Byway representatives voted to move forward with this repeal request. We are seeking this repeal in order to move under the Kansas Byways Program. The Program Manager has indicated that this would happen seamlessly. Upon moving under this program some important marketing efforts could take place that cannot happen under the current statute, including a Byway name change to the Frontier Military Historic Byway – a name that better reflects the intrinsic qualities of the Byway to travelers. According to the National Byways Committee, when we applied for national byway designation in 2008, this name change would have assisted in our application process, which was denied in part due to the way the FMSB represented its intrinsic qualities.

A Byway name change would result in a need for new signage; however, it is the Committee's understanding that the Kansas Byways Program and the Kansas Department of Transportation is planning updated signage for the FMSB currently.

In the future, the Byway may be able to re-apply for national byway designation as a historic byway if this change occurred, allowing for additional grant funding for byway projects.

Thank you for the opportunity to address you and express our support of HB 2230.

House Government Efficiency
Date: 2-14-2011
Attachment: 1-1

Office of the Secretary of Transportation
Dwight D. Eisenhower State Office Building
700 S.W. Harrison Street
Topeka, KS 66603-3745



Phone: 785-296-3451
Fax: 785-296-1095
Hearing Impaired - 711
publicinfo@ksdot.org
<http://www.ksdot.org>

Deb Miller, Secretary

Kansas Department of Transportation

Sam Brownback, Governor

**TESTIMONY BEFORE
HOUSE GOVERNMENT EFFICIENCY COMMITTEE
REGARDING HOUSE BILL 2230
RELATING TO REPEALING THE FRONTIER MILITARY
SCENIC BYWAY**

February 14, 2011

Mr. Chairman and Committee Members:

I am Lindsey Douglas, Chief of Governmental Affairs for the Kansas Department of Transportation. I am here to provide testimony in support of House Bill 2230, repealing the designation of the Frontier Military Scenic Byway.

The Frontier Military Scenic Byway local committee has proposed this legislation to repeal K.S.A. 68-1038 to allow byway to be re-designated in the Kansas Byway program as the Frontier Military Historic Byway. The Kansas Byway Committee supports the request of the historic designation under the program as it is a more appropriate designation for the route.

This byway runs from Leavenworth south to the Kansas/Oklahoma border and travels through mostly metro communities, with much of the route on high speed four lane highway. The department concurs with the local committee that the route is better suited as a "historic" byway. The traveler will discover the history along the route by exiting the main highway and exploring the historic sites and museums along the route.

Thank you for the opportunity to testify today. I will gladly stand for questions at the appropriate time.

House Government Efficiency
Date: 2-14-2011
Attachment: 2-1

Kansas Highway Advisory Commission

RECEIVED
SECRETARY OF
TRANSPORTATION
2010 SEP -9 PM 1:43

August 23, 2010

Dear Secretary Miller:

After careful consideration and group discussion, we the appointed members of the Kansas Department of Transportation (KDOT) Highway Advisory Commission recommend that the Kansas Legislature remove the current mandate that requires the existence of the Commission on which we serve.

The KDOT Highway Advisory Commission was created in 1975 for the purpose of serving as a liaison between the KDOT and the citizens of Kansas in matters regarding highway transportation. While the stated mission of this group may have been appropriate to the transportation requirements of that time, times have changed and we believe the Commission should as well.

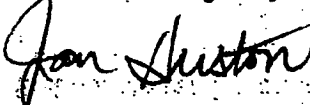
Over the last two years, our panel members have given much thought as to what is required today. We've concluded that a legislatively approved commission with a more comprehensive, multi-modal focus could more appropriately address the current transportation challenges and opportunities in our state. We believe that such a board could be selected with the purpose of creating a group of Kansans with more holistic knowledge of the state's transportation system than what was required of Highway Advisory Commission members in 1975. We further believe that people serving on such a commission should have direct knowledge of various transportation modes. If this were the case, they could bring their collective knowledge of transportation issues together to aid the KDOT family in recommendations for future transportation projects to make the most effective use of funds in today's environment of razor thin budgets. This new board would replace our current Highway Advisory Commission.

We all eagerly accepted appointments to the Highway Advisory Commission because we love Kansas and want to give our time and talent to help this great state and its people. Now, we believe it is time for us to hand the baton to a group of individuals who are more equipped to help meet today's Kansas transportation needs. We are hopeful that you will give thoughtful consideration to our request.

Thank you for giving us the opportunity to serve our fellow Kansans and the Kansas Department of Transportation.

Yours in Service,

The Kansas Highway Advisory Commission



Jan Huston
Chairperson

House Government Efficiency
Date: 2-14-2011
Attachment: 3-1



**TESTIMONY BEFORE
HOUSE GOVERNMENT EFFICIENCY COMMITTEE
REGARDING HOUSE BILL 2175
ABOLISHING THE HIGHWAY ADVISORY COMMISSION**

February 14, 2011

Mr. Chairman and Committee Members:

Good afternoon Mister Chairman, members of the committee. I am Jerry Younger, Deputy Secretary for Engineering and State Transportation Engineer for the Kansas Department of Transportation (KDOT), here today to testify in support of HB 2175.

In 1975, the Kansas Legislature established the Kansas Department of Transportation and transferred to it all of the powers, duties, obligations, and functions of the preceding State Highway Commission. The State Highway Advisory Commission was also established at that time. The Commission's twelve members, two from each of KDOT's six geographical districts, are appointed by the Governor. The Commission is responsible to disapprove, by a two-thirds vote, the location of a highway or its construction.

Like many advisory commissions the role and focus of the commission has changed a lot over the years and the members now find that their role is outdated and the need to have such a committee is unnecessary. KDOT appreciates the commission members who have served over the last 35 years and the commitment they have shown in ensuring that the public's concerns are recognized and acted on by the department.

As KDOT has taken on a multi-modal focus, developed multiple methods for communicating with the public and relied on various working groups and task forces around specific topics to gain input, the current commission has questioned the value of their role. Department programs include rail, transit, and aviation in addition to highways. We have worked very closely with industry and public partners to ensure that our programs are meeting their needs. For example, the T-LINK Task Force was created to develop recommendations for the T-WORKS transportation program, which includes highway preservation, modernization and expansion, along with transit, aviation, and rail. It was through these discussions and our local consultation process that the department has continued to get input on public priorities. The task force and workgroup processes have worked very well, and the department will continue to use these tools in the future.

The Commission has requested that KDOT bring this legislation on their behalf. It is with respect to the members that have served and are currently serving on this Commission that we honor the Commission's request and ask that you support HB 2175.

Thank you for the opportunity to testify today. I will gladly stand for questions at the appropriate time.



USING GOVERNMENT STREAMLINING COMMISSIONS TO REDUCE SPENDING AND IMPROVE EFFICIENCY: EVIDENCE FROM LOUISIANA AND VIRGINIA

FEBRUARY 14, 2011

Daniel M. Rothschild
Managing Director, State and Local Policy Project

Kansas House Government Efficiency Committee

Chairman Burgess, Ranking Member Trimmer, and members of the committee:

Thank you for the opportunity to speak with you today about the Kansas Government Effectiveness and Efficiency Commission Act. I appreciate the invitation and applaud the committee's interest in making Kansas's government more efficient and effective.

My name is Daniel Rothschild, and I am the managing director of the State and Local Policy Project at the Mercatus Center at George Mason University. The Mercatus Center is a university-based research group focused on the economics of public-policy issues. Our mission is to generate knowledge and understanding of how institutions affect the freedom to prosper and find creative solutions to overcome barriers that prevent individuals from living free, prosperous, and peaceful lives. Nothing in my statement today represents an official position of the Mercatus Center or of George Mason University.

Over the past three years, as states have faced record budget deficits, a number of governors and legislatures have looked for ways to increase government efficiency and effectiveness in order to minimize painful budget cuts and avoid tax and fee increases.

With my colleague Maurice McTigue, I have had the opportunity to work with Louisiana's Commission on Streamlining Government and Virginia's Commission on Government Reform and Restructuring as they spent much of 2009 and 2010, respectively, poring over their states' operations looking for efficiencies and opportunities to refocus state agencies on their critical core missions. My comments today reflect my personal experience with these commissions, as well as ex-post analysis based on qualitative interviews with many of the members and staff who participated in Louisiana's efforts and less formal conversations with participants in Virginia's commission.

We have found that independent government streamlining commissions that bring together officials from the legislative and executive branches of government as well as outsiders from the private sector and nonprofit groups to look closely at government activities can be effective at identifying opportunities to cut waste, eliminate duplicative programs, realize economies of scale, and generally streamline state government operations.

We have identified eight specific factors relating to the creation and composition of streamlining commissions that we believe help make them more effective and their reports more likely to result in positive policy changes. I will go through these points briefly, and I am happy to discuss them in greater detail after my testimony or at a later date.

1. Identify a focus and clear goals. Commissions can either focus on specific, discrete issues or cover a wide range of government services. This should be clearly and specifically articulated in the commission's charter, as should the deliverables the commission is charged with producing. Failure to do either of these things will delay the commission's start and open it up to pressure from outside interest groups to either include or exclude specific issues. To maximize the effectiveness of the commission's reports, the committee may wish to review section 8 of the bill and more clearly specify what should be included in the four reports required of the commission.

2. Keep the timeline commensurate with the scope. Commissions with a very narrow scope may be able to complete their work in a matter of months, but those with broader missions may need a year or more to complete their work. Your proposal to stagger reports over two years may be a way to achieve both short-term results with the kind of reform that only comes through longer-term deliberation and study. As one staff member from Louisiana's Commission on Streamlining Government said, "The deal with true reform is you sit back and look at it a while." Taking the time for deep study, debate, and reflection will yield a better final product. The approach proposed in the bill may be an effective

House Government Efficiency

Date: 2-14-2011

Attachment: 5-1

way to grab some of the "low-hanging fruit" early on while contemplating more complex reforms over two years.

3. Structure committees in a way that comports with staff expertise. Both the Louisiana's and Virginia's commissions created committees to study particular issues in depth and report back to the commission. If Kansas's commission elects to do the same thing, these committees should be structured to take advantage of legislative staff experience and expertise. Additionally, each committee should be provided with clear terms of reference that minimize overlap between the committees. The bill may wish to clarify that the commission has the authority to create committees and specify who is eligible to serve on these committees.

4. Properly resource the commission with the funds necessary to start quickly, investigate thoroughly, and report effectively. Providing a budget to a commission tasked with reducing spending may sound oxymoronic. But virtually all of the members of the Louisiana Commission on Streamlining Government who we interviewed told us that they would have been more effective with an independent investigative and analytic staff. While members praised the diligence and expertise of the legislative staff detailed to the commission, these staff members, by virtue of their positions as civil servants, were unable to effectively critique ideas put forth either by commissioners or members of the public. Moreover, they were unable to aggressively seek information from agencies. Commissioners and staff generally agreed that civil-service staff can be valuable assets to commissions, but commissions need their own independent staff as well for fact-finding and analysis. Further, we recommend that a commission be given the funds to hire a facilitator to serve as a chief of staff to the chairperson and an editor to begin the hard work of writing intermediate and final reports from the first day the commission meets. These positions help the commission make the most of its time, especially when operating on a tight timeline.

5. Select commission members who are largely outsiders. Streamlining commissions are most effective when a majority of their members do not make government their full-time occupation. After all, much of their strength comes from having a fresh set of eyes look at the operations of state government. The bill in question enshrines this principle in section 3(b), so I will not dwell on this topic. But that said, your committee may wish to consider amending the bill to allow one or two legislative members who can speak for the commission when its recommendations come before the legislature. I discuss this more in point eight.

6. Select an independent chair. Your bill makes this the prerogative of the members of the commission, so I would simply recommend to them that they elect a chair who is widely seen as politically independent yet knowledgeable of the policy making process, can effectively speak for the commission in the media, and ensure that the commission is making timely progress.

7. Keep administration participation circumscribed but significant. Having buy-in from the governor can greatly increase the commission's access to timely, accurate information. However, the commission must be able to act independently of the executive branch.

8. Plan for legislative follow through. Nobody agrees to serve on a commission like this because of the joy that comes from writing articulate, convincing reports that sit on shelves and do not result in policy changes. Therefore, the commission should endeavor to make all of its recommendations as actionable as possible. As I suggested earlier, having a small number of legislative members may be useful in this regard, as legislators bring expertise about the legislative process and can serve as spokespeople for the commission with their fellow legislators. Additionally, the facilitator and editor can help maintain focus on the actionability of recommendations throughout the research and writing process.

In addition to these recommendations, we have identified a number of effective practices that the commission may wish to employ after it is constituted. I would be happy to discuss these with the members of the commission when it is formed.

I hope my comments today have been useful to the committee. There is no "one size fits all" recipe for establishing or operating state streamlining commissions. Rather, effective commissions must be created and managed in a way that is compatible with a state's political, economic, and constitutional environments.

Based on what we have learned from other states, I believe that Kansas will be well served by the commission this bill would create. I believe that some small changes, especially allowing limited legislative membership, providing a budget for investigation and facilitation, and clarifying the commission's deliverables, could improve the quality, scope, and time of the commission's work.

I thank you for your time and look forward to taking your questions.

DANIEL M. ROTHSCHILD
Managing Director
State and Local Policy Project

Mercatus Center at George Mason University
703-993-4898 (o) 202-558-0248 (m)
www.mercatus.org

Testimony Submitted to House Government Efficiency Committee
HB 2120 Streamlining Government Commission

February 14, 2011

Dave Trabert, President, Kansas Policy Institute

Chairman Burgess and Members of the Committee,

It seems there are two fundamental issues to consider with this legislation: (1) whether to form an independent commission and (2) if so, the particulars of its membership, governance and duties. My comments today are focused on the necessity for an independent commission.

The stated purposes of the Streamlining Government Commission outlined in HB 2120 are *"...to improve the performance, streamline the operations, improve the effectiveness and efficiency, and reduce the operating costs of the executive branch of state government by reviewing state programs, policies, processes, original positions, staffing levels, agencies, boards and commissions, identifying those that should be eliminated, combined, reorganized, downsized or otherwise altered, and recommending proposed executive reorganization orders, executive orders, legislation, rules and regulations, or other actions to accomplish such changes and achieve such results."*

Each stated purpose is an essential element of developing and maintaining efficient operations and collectively they serve an even greater purpose, which is to help create an environment that maximizes the potential for private sector job creation.

As noted in Governor Brownback's Economic Development Strategic Plan, *"The state government has two fundamental roles to play in the process of economic development. First, it must establish a business environment that motivates as much risk-taking and competition as possible in the context of a "level playing field." Second, it must steward taxpayer resources in the most effective manner possible; when the government strives to do its job well with as few resources as possible it leaves more resources available for risk-taking and competition."*

We concur with that policy statement. Keeping tax burdens low is essential to encourage risk-taking and job creation. Individual taxpayers and employers have finite resources; spending more money on, say, a new car, means they must reallocate their resources and spend less on something else. The same applies to taxes; the more taxpayers must pay in taxes, the less they have to spend on goods and services. In order to maximize economic activity and encourage

risk-taking, it's therefore extremely important that taxes be kept low and that state and local tax burdens are competitive with other states.

Kansas Policy Institute compared how the ten states with the lowest combined state and local tax burdens compared to the ten with the highest burdens on several key performance measures. We used the tax burden rankings from the non-partisan Tax Foundation, which used Fiscal 2008 data for their comparisons, the most recent nationwide data available when the study was published earlier last year.

We first looked at 10-year private sector job growth rates between 1998 and 2008 (we chose that time frame because Kansas' private sector employment peaked in April, 2008) and found that the low-burden states had remarkably better performance. We continued to track each group's progress over the next two years to see how the recession impacted their continuing performance.

Table 1: Private Sector Job Growth		
State / Local Tax Burden Rank	1998-2008	1998-2010
10 lowest burden states (41-50)	16.5%	9.5%
10 highest burden states (1-10)	6.1%	-0.7%
National average	7.8%	1.2%
Kansas (21)	5.2%	-0.6%
Source: Tax Foundation, U.S. Dept. of Labor, Bureau of Labor Statistics.		

The low-burden group of states was well above the national average and outperformed the high-burden group many times over. It's particularly interesting that the low-burden group is weathering the recession much better. In the 1998-08 time frame, the low-burden group outperformed the high-burden group by a factor of 2.7:1 (16.5% compared to 6.1%); a year later, they outperformed them by a factor of 13.6:1. Every state was affected by the recession, but private sector employment in the lowest-burden states is still well better than it was ten years ago – a claim that higher burden states (and Kansas) cannot make.

Next we looked at population change, since having a broad and expanding tax base is critical to keeping tax burdens low. We specifically looked at net domestic migration – U.S. residents moving into and out of states – between 2000 and 2009, with the net change measured as a percentage of current population.

Table 2: Domestic Migration	
State / Local Tax Burden Rank	2000-2009
10 lowest burden states(41-50)	3.8%
low burden states w/o Louisiana	5.0%
10 highest burden states (1-10)	-3.3%
National average	0.0%
Kansas (21)	-2.5%
<i>Source: Tax Foundation; U.S. Census Bureau.</i>	

Again, the low-burden states were the big winners. The ten states with the lowest state and local tax burden averaged a 3.8% gain from domestic migration; that includes Louisiana, which suffered significant population loss following Hurricane Katrina. Excluding Louisiana, the other nine states averaged a 5.0% gain. The ten states with the highest combined tax burden all had net losses, averaging a 3.3% decline. 2009 was the 11th consecutive year that Kansas lost population due to domestic migration.

Both performance comparisons (private sector job growth and domestic migration) make perfect sense. Given the means and opportunity, we all tend to gravitate toward what we perceive to be the best 'deal.' Human and financial capital is no different; it will go where it is treated the best. People want to retain more of their earnings and states with the lowest state and local tax burdens let them keep more of their hard-earned money and employers have more resources available for risk-taking and competition.

The Tax Foundation doesn't put Kansas in the ten highest or lowest rankings, listing it as having the 21st highest state and local tax burden in the country. Kansas is likely moving closer to having one of the highest tax burdens, however, as the rankings don't include any changes enacted since FY 2008. This year alone, Kansans are paying nearly \$500 million more in sales tax, unemployment tax and property tax, and Kansas was the only state in the region that balanced its FY 2011 budget with a large tax increase. Given recent tax increases and recession-related income declines, it would not be surprising to find Kansas among the 20 highest tax burdens in the country when the full impact of these changes are considered.

Kansas has an uncompetitive tax burden and it must be reduced in order to encourage job creation and attract new residents. Reducing the tax burden means we must reduce spending, so the question we must ask is whether the hard choices required to do so will take place without independent, outside review. Experience says not.

- Between FY 2000 and FY 2009, State General Fund (SGF) spending increased 39% and All Funds spending increased 66%.
- At the same time, inflation increased just 21% and population only increased by 5%.

- If SGF spending had increased 4.5% annually between FY 2005 and FY 2010, we would have begun FY 2011 with a \$2.6 billion surplus in the general fund.
- Overtime paid to state employees totaled \$10.2 million in calendar 2010, a 10% increase over 2009.
- Millions of dollars are spent each year on travel to conferences, organization dues and other non-essential items.

Have most agencies come before Appropriations in recent years saying they could operate on less money, or do most ask for ever-increasing funds? How many programs have agencies recommended be terminated for having run their course?

Most people would likely agree that every aspect of government should function as efficiently as possible. It's in determining the necessity of certain expenditures where differences of opinion arise. Some people may view a particular expenditure as unnecessary to the fulfillment of a program's or an agency's primary mission while others may see it as essential. Absent an independent review, we are expecting government employees to put their own self-interests aside and make completely unbiased decisions on how best to spend taxpayer funds. It's not that government employees are intentionally wasteful; it's that they are human beings and setting self-interests aside is challenge we all face.

Operating efficiently is also more challenging for employees and managers who have spent many years in the same company or agency. Even people who have made conscious efforts to control costs can easily overlook opportunities because they've been working in the same environment for so long that many assumptions of how things must be done become 'baked in' to their thinking. I've personally experienced this as the beneficiary of independent reviews as well as having conducted many such reviews.

Current and future taxpayers can only benefit from having an independent commission to find ways to reduce the cost of government. We believe the formation of such a commission is essential to creating a pro-growth economic environment and encourage the Committee to do so.

**Written Testimony before the House Government Efficiency Committee
HB 2120 – Establishing the Kansas Streamlining Government Commission
Submitted by J. Kent Eckles, Vice President of Government Affairs**

Monday, February 14th, 2011

The Kansas Chamber of Commerce appreciates the opportunity to submit testimony in favor of HB 2120, which would establish the Kansas Streamlining Government Commission.

Responses to our Annual CEO Poll and input from our members have indicated a strong desire of employers throughout Kansas to encourage the legislature to implement a host of government efficiency suggestions for all levels of government. With ever decreasing and precious tax dollars available, it is imperative those dollars are spent in the most efficient and transparent manner possible.

Kansas residents and businesses simply cannot afford our state government, which grew in the boom years but must now undergo a “reset of state government” to reflect economic times. The Kansas Streamlining Government Commission is an idea whose time has come.

This coming state government reset will no doubt be extremely difficult considering the spending binge the state was on immediately preceding this recession. During the last decade, states increased their spending by an average of 6% per year, topping out at 8% during 2007-08 – Kansas included. Much of the government institutions built up in those years will now have to be dismantled.

States that have made the same tough choices years ago that Kansas faces now are in a much better position to attract jobs and grow their tax base. Simply put, the cost of doing business is much lower when state government is streamlined.

Kansans are currently seeing first-hand the political impulse to protect government largess and how it leads many states to aggravate their dilemma. More than 30 states have raised taxes, often on businesses, serving only to chase them and their tax payments away and into the open arms of states that have moved in the opposite direction. If efficiencies are not found and the tax burden is increased on Kansas employers, many will surely close up shop and seek out low-cost, enterprise-friendly environments in other states.

We urge the Committee to pass favorably House Bill 2120 to make the state more efficient and effective with limited taxpayer dollars.

The Kansas Chamber, with headquarters in Topeka, Kansas, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to live and work. The Chamber represents small, medium, and large employers all across Kansas. Please contact me directly if you have any questions regarding this testimony.





AMERICANS FOR PROSPERITY

K A N S A S

February 14, 2011

House Bill 2120
House Government Efficiency Committee

Mr. Chairman and members of the committee,

I am proudly before you today, representing the more than 40,000 members of Americans for Prosperity-Kansas.

AFP Kansas supports HB 2120 which establishes the Kansas Streamlining Government Commission.

HB 2120 is a step in the right direction in establishing a structure in which our state government can better evaluate the effectiveness of state programs and agencies.

It is the belief of AFP that the bill should focus on identifying areas where inefficiencies may exist. When reviewing this bill, please consider adding or retaining the following items that we believe to be of importance:

- Forbid lobbyists to serve on the commission.
- Forbid paid state agency employees to serve on the commission.
- Require that the commission shall look for programs that are obsolete, programs that are inefficient or could be improved or even terminated.
- Forbid the commission from recommending more spending or programs and only allow them to recommend cost cutting / cost saving ideas.
- Mandate the commission's cost saving ideas be made into a bill that a committee can recommend or not recommend for passage.
- Mandate Legislative bodies vote on a bill containing the commission's recommendations.

Thank you for the opportunity to provide testimony in support of HB 2120.

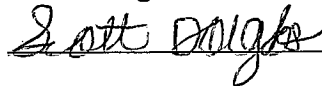
Derrick Sontag
State Director
Americans For Prosperity-Kansas

House Government Efficiency
Date: 2-14-2011
Attachment: 8-1

February 8, 2011

Members of the Government Efficiency committee I come before you today to ask for your support of H.B. 2120 "An act establishing the Kansas streamlining government commission; providing for an independent review of state agencies of the executive branch of state government; prescribing powers, duties and functions for the commission and certain other agencies; amending K.S.A. 2010 Supp 75-2973 and 7543-19 and repealing the existing sections ." I urge this committee to vote the bill out of the committee and send it to the full house for a vote, prior to the drop dead date of February 25th. I believe their exist within the executive branch of Kansas Government waste, fraud, and abuse. This bill would form the foundation of a "commission" to clean up, and expel the ineffective and wasteful areas of the executive branch of state government, thus saving the citizens of Kansas potentially hundreds of thousands if not millions of dollars a year. I especially like "New Sec 7. (a) The commission shall:"#s (3) &(5) . I believe it's vital to hold state agencies accountable to their Mission Statement, and this act would establish a "systematic method" of verifying if state agencies are effective and meeting the legislative intent, the agency was established for. This bill would take things a step further by introducing legislation to correct problem areas within state agencies "increasing effectiveness and efficiency" of the agency. I ask the committee to unanimously support this bill and urge the entire House to follow the recommendation of the committee and pass this bill and send it to the senate for their review.

Sincerely, Scott Douglas



cc: My files

House Government Efficiency
Date: 2-14-2011
Attachment: 9-1

February 8, 2011

Honorable Representative Mike Burgess
Chairman Government Efficiency committee

Dear sir

Subject: House Bill 2120

Representative Burgess, I wish to offer "Official testimony" on House Bill 2120. Since I am unable to appear in person before the Government Efficiency Committee to testify in support of this bill, I ask that the committee make an official record of my testimony (enclosed), and add it to the official record of any hearing held concerning this bill. If you have any questions for me, or need clarification on anything I am testifying to in support of this bill, I can be contacted at the below listed address. I would appreciate a brief response from you, indicating you received my testimony and that you will include it in the official record of the Government Efficiency Committee hearing on this bill, if one is held.

Scott Douglas
1301 KS. Hwy. 264
Larned, KS 67550-5353
(620) 285-4660 EXT #6

Sincerely, Scott Douglas

Scott Douglas

cc: My files
Scott Douglas
1301 KS. Hwy. 264
Larned, KS 67550-5353
(620) 285-4660 EXT #6



816 SW Tyler, Suite 200, Topeka, KS 66612-1635 ■ (785) 233-4141 ■ FAX: (785) 233-2534

Testimony
House Government Efficiency Committee
Presented by the Kansas Veterinary Medical Association on H.B. 2120
Monday, February 14, 2011

Members of the House Government Efficiency Committee, thank for the opportunity to appear and testify on **H.B. 2120**.

The Kansas Veterinary Medical Association (KVMA) represents and advocates and on behalf of the Kansas veterinary profession through legislative, regulatory, educational, communications, and public awareness programs.

The KVMA certainly agrees with the concept of "streamlining" state government, but feels strongly that some elements of the bill would not result in "streamlining" and agencies that are exclusively fee funded and receive no State General Fund (SGF) monies should be excluded from H.B. 2442.

The KVMA supports the amendment being offered by the Kansas Association of Realtors to **New Section 1 (c) of H.B. 2120 (new language in bold)**:

(c) The Kansas streamlining government act shall not apply to any fee-funded state agency. The Kansas streamlining government commission shall have no authority to review or make recommendations regarding any fee-funded state agency.

The KVMA also supports the amendment being offered by the Kansas Association of Realtors to **New Section 2 (g) of H.B. 2120**.

New Section 2 (g) defines the 21 state fee-funded agencies that would be excluded from the act.

It has been the experience of the KVMA over the years that the Kansas Board of Veterinary Examiners, a small, exclusively fee funded state agency, is extremely efficient in its operations.

The Kansas Board of Veterinary Examiners does not take any State General Fund money and, in fact, transfers twenty percent of its fee funds to the State General Fund. This could be lost to the State General Fund if the agency was eliminated.

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Two years ago, an additional \$65,000 was transferred from veterinary fee funds into the State General Fund through fee weeps, one third of the agency's fee fund balance. This is another indication of the Board's efficiency.

Of course these transfers result in funding for other state programs outside of the purpose of veterinary fee funds, that is to license, regulate, inspect, and oversee the Kansas veterinary profession and to protect the public health, safety, and welfare.

Under **H.B. 2120**, the Commission would have the authority to recommend legislation to eliminate, combine, reorganize, and downsize certain state agencies, boards, and commissions.

The KVMA also strongly supports the validity and necessity of licensing and regulating the Kansas veterinary profession and safeguarding the public health, safety, and welfare through the Kansas Board of Veterinary Examiners, a managerially disciplined and fiscally responsible regulatory body.

The KVMA is extremely concerned that if the Kansas Board of Veterinary Examiners was eliminated or merged with another state agency the result would be a loss of the very specific expertise needed to regulate the veterinary profession, fewer inspections, oversights, and services to the public, and, most importantly, less veterinary and client protection.

Once again, the KVMA respectfully requests the House Government Efficiency Committee to add the above mentioned amendments to New Section 1 (c) and New Section 2 (g) to H. B. 2120 and exclude fully fee-funded agencies from the bill.

Thank you again for the opportunity to appear before the Committee.

Respectfully submitted,

Gary Reser
KVMA executive vice president

Session of 2011

HOUSE BILL No. 2120

By Committee on Government Efficiency

1-28

1 AN ACT establishing the Kansas streamlining government commission;
2 providing for an independent review of state agencies of the executive
3 branch of state government; prescribing powers, duties and functions
4 for the commission and certain other agencies; amending K.S.A. 2010
5 Supp. 75-2973 and 75-4319 and repealing the existing sections.
6

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

8 New Section 1. (a) Sections 1 through 9, and amendments thereto,
9 shall be known and may be cited as the Kansas streamlining government
10 act.

11 (b) The purposes of the Kansas streamlining government act are to
12 improve the performance, streamline the operations, improve the
13 effectiveness and efficiency, and reduce the operating costs of the
14 executive branch of state government by reviewing state programs,
15 policies, processes, original positions, staffing levels, agencies, boards
16 and commissions, identifying those that should be eliminated, combined,
17 reorganized, downsized or otherwise altered, and recommending
18 proposed executive reorganization orders, executive orders, legislation,
19 rules and regulations, or other actions to accomplish such changes and
20 achieve such results. ←

21 New Sec. 2. As used in sections 1 through 9, and amendments
22 thereto:

23 (a) "Act" means the Kansas streamlining government act;

24 (b) "commission" means the Kansas streamlining government
25 commission established by section 3, and amendments thereto;

26 (c) "documents" means books, records, papers, accounts, transcripts,
27 transcriptions and reports, in whatever form or medium they may be
28 preserved;

29 (d) "state agency" means any state agency in the executive branch of
30 state government;

31 (e) "member" means a member of the commission; and

32 (f) "paid public office or position" means a public office or position for
33 which any compensation is paid for service, but "paid public office or
34 position" does not include any public office or position for which only
35 reimbursement is paid for travel and other expenses incurred for service
36 in such public office or position. ←

(c) The Kansas streamlining government act shall not apply to any fee-funded state agency. The Kansas streamlining government commission shall have no authority to review or make recommendations regarding any fee-funded state agency.

; and

(g) "fee-funded state agency" means the abstracters' board of examiners, behavioral sciences regulatory board, board of accountancy, board of examiners in optometry, board of nursing, consumer credit commissioner, Kansas board of barbering, Kansas board of examiners in fitting and dispensing hearing aids, Kansas dental board, Kansas real estate commission, Kansas state board of cosmetology, office of the securities commissioner of Kansas, real estate appraisal board, state bank commissioner, state board of healing arts, state board of mortuary arts, state board of pharmacy, state board of technical professions, state board of veterinary examiners, state department of credit unions and Kansas home inspectors registration board.



Luke Bell
Vice President of Governmental Affairs
3644 SW Burlingame Rd.
Topeka, KS 66611
785-267-3610 Ext. 2133 (Office)
785-633-6649 (Cell)
Email: lbell@kansasrealtor.com

To: House Government Efficiency Committee

Date: February 14, 2011

Subject: **HB 2120** -- Establishing the Kansas Streamlining Government Commission and Providing for an Independent Review of Executive Branch State Agencies

Chairman Burgess and members of the House Government Efficiency Committee, thank you for the opportunity to appear today on behalf of the Kansas Association of REALTORS® to offer neutral testimony on the provisions of **HB 2120**. Through the comments expressed herein, it is our hope to provide additional legal and public policy context to the discussion on this issue.

KAR is the state's largest professional trade association, representing nearly 8,000 members involved in both residential and commercial real estate and advocating on behalf of the state's 700,000 homeowners for over 90 years. REALTORS® serve an important role in the state's economy and are dedicated to working with elected officials to create better communities by supporting economic development, a high quality of life and providing affordable housing opportunities that embrace the environmental qualities we value, while protecting the rights of private property owners.

HB 2120 would establish the Kansas Streamlining Government Commission that would seek to streamline the operations and improve the efficiency of state government by reviewing state agencies, boards and commissions. At the conclusion of the process outlined in **HB 2120**, the Commission would have the authority to recommend legislation to eliminate, combine, reorganize and downsize certain state agencies, boards and commissions.

KAR Strongly Supports the Intent Behind **HB 2120** to Help Prevent Future Budget and Spending Crises by Identifying Long-Term State General Fund Efficiencies and Savings

First, we would like to emphasize that we strongly support the intent behind the provisions of **HB 2120** to streamline the operations and improve the efficiency of state agencies that receive funding from the state general fund (SGF). Given the current budget and spending crisis facing the Kansas Legislature, we believe it is vitally important for the Kansas Legislature to consider any legislation that would result in state general fund (SGF) savings over both the short- and long-term horizon.

In the past five years, the Kansas Legislature has taken actions that have resulted in the sweep of nearly \$1.9 million from the real estate fee fund administered by the Kansas Real Estate Commission to pay for unrelated programs funded through the state general fund in other parts of the state budget. As a result, the Kansas Real Estate Commission has been forced to increase licensing fees on real estate professionals, which is an indirect tax increase on the individuals and small businesses that make up the real estate industry.

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Unfortunately, it is clear the status quo in our budgeting process is not functioning properly when the state is forced to raid regulatory fee funds to pay for programs funded through the state general fund. If the Kansas Streamlining Government Commission is able to identify any efficiencies and savings from the agencies funded by the state general fund, we are hopeful that this will help end the Kansas Legislature's recent habit of raiding regulatory board fee funds for SGF spending.

KAR Strongly Opposes Any Proposals to Eliminate Regulatory Agencies Funded Exclusively Through Fee Funds That Receive No SGF Funding (Such as the Kansas Real Estate Commission)

In order to maximize the long-term SGF savings that can be achieved through the process outlined in **HB 2120**, we believe the main thrust of the Commission should be to review the operations of state agencies that are funded through appropriations from the state general fund. As a result, we believe this process should not include a review of fee-funded regulatory agencies that are exclusively funded by fee funds and receive absolutely no appropriations or funding from the state general fund.

Under the definition of "state agency" in section 2(d) of **HB 2120**, we believe the new commission would have the authority to review "any state agency in the executive branch of state government." In our opinion, a fee-funded regulatory agency that receives no appropriations or funding from the state general fund could fit within this definition of the term "state agency" as it is currently written.

As a profession, we strongly believe in the need for the licensing of real estate professionals and the necessity of an independent Kansas Real Estate Commission to regulate our profession. If the Kansas Real Estate Commission was eliminated or merged with another state agency, we believe this would result in less consumer protection, decreased services for real estate licensees and a regulatory body that lacks the expertise necessary to properly regulate the real estate industry.

By including state agencies that are exclusively funded through fee funds and receive absolutely no funding from the state general fund, we believe the current language of **HB 2120** in section 2(d) strays from the core mission of the concept to identify long-term SGF savings to help prevent future budget and spending crises. Accordingly, we would respectfully request the adoption of the balloon amendment included on page 4 of this testimony, which would explicitly exclude fee-funded state agencies from the scope of this legislation.

Thankfully, the House Appropriations Committee overwhelmingly approved this exact amendment when similar legislation (**2010 HB 2442**) was debated during the 2010 Legislative Session. If adopted, this amendment would explicitly exclude regulatory agencies funded exclusively through fee funds from the scope of review of the new commission. We would respectfully request that the House Government Efficiency Committee retain this amendment and exclude these fee-funded regulatory agencies from the provisions of this legislation.

Eliminating Fee-Funded Regulatory Agencies Funded Exclusively Through Fee Funds That Receive No SGF Funding Would Result in a Reduction of Revenue to the State General Fund

Under **K.S.A. 75-3170a**, the Kansas Real Estate Commission (and all other fee-funded regulatory agencies) is obligated to transfer 20% of all fees and other funds (up to \$200,000 each fiscal year) to the state general fund. This transfer is allegedly to reimburse the state for all "accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any and all other state governmental services" provided to the Kansas Real Estate Commission.

In addition to the nearly \$200,000 transferred to the state general fund in Fiscal Year 2009 pursuant to K.S.A. 75-3170a, the Kansas Real Estate Commission also paid another \$50,233.79 directly to the Department of Administration for these same services that were supposedly covered by the transfer required in K.S.A. 75-3170a. Even though we have no idea exactly how the \$200,000 transferred pursuant to the statute is allocated in the state general fund, it is clear that these funds are used as revenue to fund other state programs that are funded through the state general fund.

Conclusion

For all the foregoing reasons, we would urge the committee to carefully consider the full effects and implications of including fee-funded regulatory agencies that are not funded by the state general fund in the list of state agencies that can be reviewed by the Commission and to retain the amendment approved by the House Appropriations Committee during the 2010 Legislative Session. Once again, thank you for the opportunity to provide comments on HB 2120 and I would be happy to respond to any questions at the appropriate time.

Session of 2011

HOUSE BILL No. 2120

By Committee on Government Efficiency

1-28

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(g) "fee-funded state agency" means the abstracters' board of examiners, behavioral sciences regulatory board, board of accountancy, board of examiners in optometry, board of nursing, consumer credit commissioner, Kansas board of barbering, Kansas board of examiners in fitting and dispensing hearing aids, Kansas dental board, Kansas real estate commission, Kansas state board of cosmetology, office of the securities commissioner of Kansas, real estate appraisal board, state bank commissioner, state board of healing arts, state board of mortuary arts, state board of pharmacy, state board of technical professions, state board of veterinary examiners, state department of credit unions and Kansas home inspectors registration board.