

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by August (Gus) Bogina at  
Chairperson

11:00 a.m./p.m. on February 28, 1986 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Ed Ahrens, Lyn Goering Alan Conroy, Laura Howard,  
Paul West

Revisor's Office: Norman Furse

Committee Office: Judy Bromich, Doris Fager

Conferees appearing before the committee:

Joseph Harkins, Director, Kansas Water Office

SB 444 - Appropriations FY 1987, Board of Agriculture and Related Agencies  
SB 584 - Appropriations FY 1986, Board of Agriculture and Related Agencies

SB 584 - Board of Agriculture

Senator Kerr presented the subcommittee report on this section. Committee members were given the opportunity to question him.

SB 444 - Section 2 - Board of Agriculture

The subcommittee report for the Board of Agriculture was presented by Senator Kerr. During his presentation of Recommendation No. 6, Senator Harder asked if the deleted funding is expense money for those individuals who are actually on the payroll of the US Department of Agriculture. Senator Kerr said it is his understanding the funds involve supplemental payments to the individuals on the federal payroll. Ms. Goering explained that these people have access to Kansas Workers' Compensation, but not KPERS. The \$36,028 deleted by the subcommittee includes any fringe benefits received from the state of Kansas, according to Ms. Goering. Senator Werts commented that it may be better to have these people under contract rather than on the payroll, if those payments are justified in the first place.

Following Senator Kerr's presentation of Recommendation No. 11, there was extended discussion. Senator Werts asked if the Federal Government places any limits on fees charged by states in the area of Meat and Poultry inspection. Senator Kerr said it was his understanding that the question was raised a few years ago when the fees were raised to the present level, and there were no comments from the Federal department. More recently, the Federal people say they do not have the funds to pick up the inspection program themselves; consequently, the subcommittee is of the opinion that the Federal department is not in a position to tell the State of Kansas that fees may not be raised.

Senator Doyen commented that he would accept the annual registration fee of \$150 noted in recommendation 11 (b), but that he does not agree with the other fee increases suggested by the subcommittee. Senator Gannon indicated that he felt the fees in recommendation 11 (c), for instance, should be passed on to the person receiving the service; and it is his feeling this should not be passed on to anyone else; i.e., to the State General Fund.

Motion was made by Senator Doyen to accept the \$150 fee noted in Recommendation 11 (b), but to strike the other increases suggested in Recommendation No. 11.  
The motion died for lack of a second.

Answering a question from Senator Gaines, the members of the subcommittee stated that the industry is opposed to the increased fees; and they are also opposed to turning over the meat and poultry inspection to the Federal Government. Apparently the industry would need to make improvements in plants in order to pass Federal inspection.

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SB 444 - Continued

SB 584 - Continued

SB 444 - Section 2 - Continued

At this point, Senator Winter asked if the committee should have a policy to add or delete items from the budget only after proposed legislation is passed.

Motion was made by Senator Talkington and seconded by Senator Winter to proceed with introduction of the proposed legislation, but to delay action on additional appropriations until final action is taken on that legislation. The motion carried by voice vote.

There was a brief discussion concerning subcommittee Recommendation No. 13.

SB 444 - Animal Health Department - Section 3

During Senator Gannon's presentation of the subcommittee report on the Animal Health Department, Senator Gaines questioned Recommendation No. 3. Senator Gannon indicated that there are problems with this inspection. In western counties there are contracted inspectors; and in eastern counties there are salaried inspectors. Senator Gannon said the subcommittee felt that, since salaries are very low, it might be possible to contract all the services and not find it necessary to increase fees in the animal health area.

SB 444 - Grain Inspection Department - Section 4

Committee members were given the opportunity to question Senator Gannon during his presentation of the subcommittee report on Section 4.

SB 584 - Kansas State Fair - Section 16

During his presentation of the subcommittee report on this section, Senator Kerr explained that the Fair Board is planning to hire a Special Events Coordinator to get higher usage of some of the buildings on the fair grounds during the off season.

SB 444 - Kansas State Fair - Section 5

There was a brief discussion concerning observation No. 3 of the subcommittee report. Senator Kerr clarified the observation for members of the committee.

SB 584 - Kansas Wheat Commission

Senator Gannon presented the subcommittee report for this section, and committee members were given the opportunity to question him.

SB 444 - Kansas Wheat Commission - Section 6

Senator Gannon reviewed the subcommittee report for the Kansas Wheat Commission. In connection with subcommittee recommendation No. 7, he explained that its members are not suggesting that funding should be cut for this program; but it is felt there is need for more information on what is happening within the program. Senator Gannon said the subcommittee feels that proper reports need to be submitted to the Legislature. He indicated that the Division of Post Audit is looking at this subject, also, and will have an initial report in about one week.

SB 584 - State Conservation Commission

There were no questions from committee members following Senator Kerr's presentation of the subcommittee report on this section. Page 2 of 4

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SB 584 - Continued

SB 444 - Continued

SB 444 - State Conservation Commission - Section 7

Senator Kerr presented the subcommittee report on Section 7, and answered questions from committee members. He elaborated upon the subcommittee's Recommendation No. 2, noting that its members wondered if some of the uses being made of moneys might be outside of statutory provisions.

SB 492 - Feasibility of turnpike or freeway in southeastern Kansas

Senator Talkington explained that SB 492 had been rereferred to the Senate Ways and Means Committee after being on Senate General Orders; and that he would like to have it returned to the full Senate. Motion was made by Senator Talkington and seconded by Senator Gaines to report SB 492 as amended by Senate Transportation and Utilities Committee favorably for passage. The motion carried by roll call vote.

(RECESS) - At this point the committee recessed for a brief Senate session.

SB 584 - Kansas Water Office

Senator Gannon presented the subcommittee report for the Kansas Water Office. During his discussion of Senate Subcommittee Recommendation No. 1, Senator Gaines asked if the Legislature had passed an act which approved the Memorandum of Understanding with the U.S. Corps of Engineers. Senator Kerr answered that this had not happened. Senator Harder commented that appropriations constitute approval of that Memorandum.

There followed an extended discussion concerning the water plan and the Memorandum of Understanding. Senator Gaines expressed concern about setting aside funds, because he said he felt the Federal Government will provide water from Tuttle Creek, for instance, when anyone in the state needs it. Senator Gannon explained that the money is not being spent until the water is sold. It is simply being put into an account. Senator Bogina commented that it is a form of water insurance. He added that he didn't believe there is 100% assurance the state could use the water if there was not some kind of pre-arrangement.

Senator Gannon assured the committee that the rates agreed to with the Corps of Engineers are very favorable to Kansas. Senator Kerr further assured them that none of this water funding can be spent without legislative approval. There followed a discussion concerning the sale of water from various reservoirs to corporations and cities throughout the state. Senator Winter commented that there is need to follow the progress of HB 2705 before the subcommittee's recommendations are approved.

In answer to questions from Senator Doyen, Mr. Harkins said there is payment of maintenance expense by the State which is associated with the storage of water. He added that this expense is passed on to the user. He said the furnishing of water to be carried through a proposed pipeline from Milford to Wichita could not be done without legislative approval.

Senator Feleciano stated that he and Senator Werts had been appointed to a Water Resources Advisory Board by the Governor, and after several meetings this Board developed a package which allows the state to negotiate with the Corps of Engineers. He added that he felt the plan is in the best interests of future water needs of the people in Kansas.

There was discussion concerning the possibility of amending the subcommittee report to withhold the decision until pending legislation is passed. Mr. Harkins stressed that, in order to uphold the agreement with the Corps of Engineers, the state must have \$4 million in escrow. It was decided to leave the subcommittee report as written regarding this matter. Page 3 of 4

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SB 584 - Continued

SB 444 - Continued

SB 444 - Kansas Water Office - Section 8

Senator Gannon presented the subcommittee report on Section 8. During his review of subcommittee recommendation No. 1, he was asked by Senator Gaines if the wells referred to in the recommendation need to be plugged. Senator Gannon said that some need to be plugged and some will be given back to the landowner. Mr. Harkins said the United States Geological Survey and the Kansas Geological Survey drilled them at the state's request. Senator Gaines suggested there is no choice but to plug the wells. Senator Gannon said the subcommittee has a question concerning who should have the responsibility for these wells, and are attempting to determine that responsibility.

In connection with subcommittee recommendation No. 6, Senator Gaines questioned the transfer of \$100,000 from the Conservation Fee Fund to the Kansas Water Office. Senator Gannon explained that this is the amount included in the Governor's basic budget recommendation. Senator Gaines then asked (1) why this is being taken from the Conservation Fee Fund and (2) what is the total amount of money that will be taken from this fund? He stressed that this fund is built up by a tax on oil, and it is his feeling that everyone is trying to use the money in that fund. He said if there is a relationship between this research and something for which the oil industry is responsible, he would agree to use of the fund, but it is his feeling there is no relationship at all.

Motion was made by Senator Winter and seconded by Senator Gaines to transfer the full \$100,000 expenditure to the State General Fund. The motion carried by voice vote.

Winter

At this point, Senator/asked if the Kansas Geological Survey should not be designated to do this work, instead of having some of it performed by the United States Geological Survey. Mr. Harkins said his office has found that the two surveys are in competition, and that each has certain expertise. He added that when the work is done, his office picks the one best qualified to do a particular study, and he wants to keep the options open.

Motion was made by Senator Feleciano and seconded by Senator Winter that the Kansas Geological Survey, to the extent possible, have responsibility for the study referred to in recommendation No. 6. Following an extended discussion, the motion was withdrawn.

Motion was made by Senator Kerr and seconded by Senator Gannon to adopt the subcommittee report as amended, and to report SB 444 as amended favorably for passage. The motion carried by roll call vote.

The meeting was adjourned by the Chairman.