

Approved _____

3-2-88
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntten at
Chairperson

1:30 ~~am~~ p.m. on February 23, 1988 in room 514-S of the Capitol.

All members were present except: Representative Vancrum (excused)

Committee staff present: Diane Duffy, Ellen Piekalkiewicz, Gloria Timmer,
Carolyn Rampey, Scott Rothe, Ed Ahrens, Legislative Research
Jim Wilson, Revisor of Statutes
Sharon Schwartz, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Marvin Schulteis, Vice Chairman, Washburn University Board of Regents
David Monical, Vice President of Planning and Governmental Relations,
Washburn University
Stanley Koplik, Executive Director, Kansas Board of Regents
Mark Tallman, ASK (Others attending - See attached list.)

HB 2733 - An Act making and concerning appropriations for the fiscal year ending June 30, 1989, for the state board of agriculture, Kansas animal health department, Kansas state grain inspection department, state fair board, Kansas wheat commission, state conservation commission and Kansas water office.

ANIMAL HEALTH DEPARTMENT

The Subcommittee concurs with the Governor's recommendation for FY 1988 with slight adjustments (Attachment 1). The Subcommittee concurs with the Governor's recommendation for FY 1989 with certain observations noted in the report (Attachment 2). Representative Lowther moved adoption of the subcommittee reports for FY 1988 and FY 1989. Seconded by Representative Solbach. Motion carried.

GRAIN INSPECTION DEPARTMENT

The Subcommittee concurs with the Governor's recommendation in FY 1988 and concurs with adjustments in FY 1989 (Attachment 3). Representative King moved adoption of the subcommittee report. Seconded by Representative Lowther. Motion carried.

HB 2795 - An Act concerning Washburn university; relating to the financing thereof; amending K.S.A. 13-13a34, 72-6501, 72-6503, 72-6507, 72-6508 and 72-6509 and K.S.A. 1987 Supp. 13-13a27 and 72-6506, and repealing the existing sections; also repealing K.S.A. 72-6502, 72-6504 and 72-6505 and K.S.A. 1987 Supp. 13-13a28 and 13-13a30.

Marvin Schulteis, Vice Chairman, Washburn University Board of Regents, testified in behalf of the Regents in support of HB 2795 (Attachment 4). Mr. Schulteis introduced three members of the Washburn University Board of Regents in attendance at the meeting--Mr. Warren Shaw, Mrs. Ann Garvin and Mayor Douglas Wright. HB 2795 implements the Governor's recommendations by repealing current statutory provisions for state credit hour aid and out-district aid. The bill also provides that the University will receive its state funding in the form of an operating grant and further, that the responsibility for administering this operating grant will be vested with the State Board of Regents.

David Monical, Vice President for Planning and Governmental Relations, Washburn University, provided a section by section analysis of HB 2795 and proposed several amendments to improve the clarity of the bill (Attachment 5). Representative Lowther asked if Washburn would provide data on enrollment and credit hours to the Kansas Board

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-S Statehouse, at 1:30 ~~am~~/p.m. on February 23, 1988

of Regents for their use in reviewing the budget request. Mr. Monical stated, while this is not mentioned specifically, any information on enrollment, programs, etc. that the Kansas Board of Regents would like would be available to them.

Dr. Stanley Z. Koplik, Executive Director, Kansas Board of Regents, testified that the Kansas Board of Regents is prepared to administer the operating grant principles in HB 2795 during FY 1989 assuming passage of the bill (Attachment 6). In response to a question, Dr. Koplik stated the Regents would make their recommendations on Washburn comparable in form to budget requests for the Regent institutions so the Governor and Legislature could compare them. With regard to program enhancements, the Regents would make their recommendations in light of their feelings on the program expansion.

Mark Tallman, Associated Students of Kansas (ASK), appeared in support of HB 2795 and provided written testimony (Attachment 7). Because the Board of Regents is responsible for the statewide delivery of higher education programs in Kansas, ASK supports the review by the Board of Regents of Washburn's budget requests.

Written testimony in support of HB 2795 from the State Board of Education was distributed to the Committee (Attachment 8).

The Committee resumed consideration of subcommittee reports on HB 2733.

KANSAS STATE FAIR

The Subcommittee concurs with the Governor's recommendations with the adjustments noted in the report (Attachment 9). Representative Dyck moved adoption of the subcommittee reports for FY 1988 and FY 1989. Seconded by Representative Guldner. Motion carried.

KANSAS WHEAT COMMISSION

The Subcommittee concurs with the Governor's recommendation for FY 1988 and FY 1989 with a comment assessing the impact of SB 448 and SB 449, if passed, on the Wheat Commission budget (Attachment 10). Representative Hoy moved adoption of the subcommittee report. Seconded by Representative Helgerson. Motion carried.

BOARD OF AGRICULTURE

For FY 1988 and FY 1989 the Subcommittee concurs with adjustments noted in the report (Attachment 11). Representative Teagarden questioned the use of oil overcharge funds in Recommendation #6 in the Noxious Weeds program. Representative Helgerson expressed concern at the number of spending recommendations from the Economic Development Initiatives Fund (EDIF). Recommendation #4 in the FY 1989 subcommittee report funds marketing activities for Agriculture and the subcommittee felt this was a logical use of EDIF money. It was noted Kansas Inc. has made recommendations on the expenditure of the EDIF. Representative Ott moved to delete FY 1989 subcommittee Recommendation #6 from the report and, in effect, remove funding from the Noxious Weeds program. Seconded by Representative Turnquist. Motion failed.

Staff distributed a proposed amendment to HB 2733, which is a proviso to the expenditures in the Noxious Weeds program (Attachment 12). Representative Chronister moved the adoption of the amendment and the adoption of the subcommittee reports for FY 1988 and FY 1989, as amended. Seconded by Representative Heinemann. Motion carried.

KANSAS WATER OFFICE

The Subcommittee concurs with the Governor's recommendations with the changes noted in the report (Attachment 13). Representative Heinemann moved adoption of the subcommittee report. Seconded by Representative Chronister. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-S, Statehouse, at 1:30 ~~xxx~~ p.m. on February 23, 1988.

STATE CONSERVATION COMMISSION

The Subcommittee concurs with the Governor's recommendations with several changes (Attachment 14). Representative Chronister asked for explanation of the High Priority Water Resources Cost-Share Program. Representative Lowther stated the program targets funds to areas with high erosion potential and for pollution control. The Subcommittee recommended using \$1,157,482 from the EDIF for this program because they felt the prevention of erosion will be of substantial economic benefit to the areas involved. Representative Chronister moved to delete from the report Recommendation #3 to finance the High Priority Water Resources Cost-Share Program with \$1,157,482 from the EDIF and to return to the Governor's recommendation of \$230,000 from the State General Fund financing for the program. Seconded by Representative Hoy.

Chairman Buntten referred to the Governor's budget for the recommendations on expenditure of EDIF moneys. He noted in FY 1989 total resources available in the Fund are \$16.7 million and the Governor recommended expenditure of \$13.9 million, leaving a balance of \$2.8 million. Representative Chronister recognizes the importance of conservation to the state, but she believes the EDIF should be used to create new jobs for depressed areas of the state. On a vote on Representative Chronister's motion, motion failed.

Representative Helgerson requested staff to separate out EDIF moneys on the front page of the subcommittee reports so that expenditure recommendations would be easier to track. Staff indicated this would be done.

Representative Helgerson made a motion to delete Recommendation #4 regarding the \$900,000 from oil overcharge moneys for the Black Vermillion River Basin. Seconded by Representative Mainey. Representative Heinemann asked if this project was approved by the Kansas Corporation Commission for oil overcharge funds, as he believes it would not qualify. The subcommittee advised that legislative staff had indicated this would be a legal use of the non-Warner oil overcharge funds. On Representative Helgerson's motion to delete Recommendation #4, motion carried. Representative Lowther moved adoption of the subcommittee report as amended. Seconded by Representative King. Motion carried.

Representative Chronister moved that HB 2733, as amended, be recommended favorably for passage. Seconded by Representative Ott. Motion carried.

Thelma Gordon, Department of SRS, requested introduction of a bill to provide greater flexibility in establishing patient care rates at state institutions. Representative Heinemann moved introduction of the bill. Seconded by Representative Williams. Motion carried.

Ms. Gordon also requested introduction of a bill regarding a child in need of care, expanding pre-hearing protective custody from 48 to 72 hours. Representative Chronister moved introduction of the bill. Seconded by Representative Williams. Motion carried.

Representative Teagarden made a motion to approve the minutes of February 11, 15, 16, and 17 as presented. Seconded by Representative Goossen. Motion carried.

The meeting was adjourned at 3:30 p.m.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 2-23-88

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
TERRY STEVENS	TOPEKA	CITY OF TOPEKA
A.T. Kimmell	Topeka	Animal Health Dept
Ray Hanke	Topeka	Board of Regents
Larry Kretzer	Topeka	Governor's Fellow
Jerry D. Bricker	Topeka	Observer
Marcus W. Shaw	Topeka	Washburn U.
Dorothy A. Barnes	Topeka	Bd of Agriculture
Donald H. ...	TOPEKA	Bd of Agriculture
Tom ...	Topeka	Id of Ag
Janie Kische	Topeka	KWO
Mary Kowalski	Topeka	Budget
Kathy Schlichter	Topeka	Washburn
Ed Weikmann	Topeka	Washburn
Mark Tallman	Topeka	ASK
Merle Hree	"	KACC
Ann ...	"	Washburn
Ken Kern	"	State Conservation Commission
Lola Warner	"	" " "
Camille Schmidt	"	Washburn Review
ELAINE WOODFORD	LAWRENCE, KS	UNIVERSITY DAILY KANSAN
David ...	Topeka	Washburn Univ
Maurice ...	"	"
Lynn ...	"	Div. of Budget
John KORSAK	EMPORIA	Emporia Chamber of Comm
Jeff ODell	EMPORIA	KVOE Radio

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. 2796

Bill Sec. 32

Analyst: Rothe

Analysis Pg. No. 242

Budget Pg. No. 5-17

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 270,786	\$ 270,786	\$ --
Special Revenue Funds	<u>1,130,842</u>	<u>1,055,699</u>	<u>(7,000)</u>
Total	<u>\$ 1,401,628</u>	<u>\$ 1,326,485</u>	<u>\$ (7,000)</u>
FTE Positions	40.0	40.0	--

Agency Estimate/Governor's Recommendation

The agency estimates current year expenditures of \$1,401,628, a decrease of \$5,444 below the approved budget, including \$500 from the State General Fund and \$4,944 from special revenue funds. The decrease includes reductions of \$7,779 in salaries due to turnover and \$4,665 in travel, and increases of \$2,000 for contractual county option brand inspections and \$5,000 to complete the purchase of computer equipment. The revised estimate includes \$270,786 from the State General Fund and \$1,130,842 from special revenue funds.

The Governor's recommendation for FY 1988 totals \$1,326,485, a reduction of \$75,143 (all from special revenue funds) below the agency's estimate. The recommendation includes \$270,786 from the State General Fund (20.4 percent of the total) and \$1,055,699 from special revenue funds (79.6 percent of the total). The Governor recommends a reduction of \$74,943 in salaries due to turnover and benefit rate adjustments, and \$200 in office supplies.

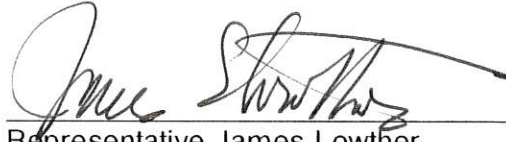
House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$5,000 in Brand Regulation program printing expenditures from the Livestock Brand Fee Fund. The Governor has recommended that the agency's brand book, last printed in 1980, be republished in FY 1989 rather than FY 1988.

*HA
2-23-88
Attachment 1*

2. Delete \$2,000 in salary turnover savings in the Brand Regulation program from the Livestock Market Brand Inspection Fee Fund. The agency has not yet been able to fill a vacant brand investigator position, but intends to before the end of FY 1988.



Representative James Lowther
Subcommittee Chairperson



Representative Kenneth King



Representative John Solbach

2796-055/sr

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. 2733

Bill Sec. 3

Analyst: Rothe

Analysis Pg. No. 242

Budget Pg. No. 5-17

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 423,500	\$ 250,000	\$ --
Special Revenue Funds	<u>992,557</u>	<u>1,111,493</u>	<u>--</u>
TOTAL	<u>\$ 1,416,057</u>	<u>\$ 1,361,493</u>	<u>\$ --</u>
FTE Positions	40.0	36.0	--

Agency Request/Governor's Recommendation

The agency's FY 1989 request is \$1,416,057, of which \$423,500 (29.9 percent) is from the State General Fund. The total request is an increase of \$14,429 (1.0 percent) above the revised FY 1988 estimate. The State General Fund portion (\$423,500) is a 56.4 percent increase above the FY 1988 estimate. Increases requested include \$16,000 for the veterinary inspection of cattle sold at livestock markets, \$6,375 for printing costs (including a new brand book), \$3,582 for travel, and \$3,472 for all other. Capital outlay decreases by \$15,000. Finally, the request includes a financing shift of \$150,200 from special revenue funds to the State General Fund in order to increase fee fund balances.

The Governor recommends \$1,361,493 for FY 1989, a reduction of \$54,564 from the amount requested. Recommended financing includes \$250,000 from the State General Fund (18.4 percent of the total, a reduction of \$173,500 from the amount requested) and \$1,111,493 from special revenue funds (81.6 percent of the total, an increase of \$118,936). The Governor concurs with the agency's requested increase of \$16,000 for veterinary inspection of cattle, \$3,582 for travel, and the request to print a brand book. The recommendation includes increases of \$27,960 above the agency's request for a 4 percent salary adjustment and \$7,732 for health insurance and other benefit rate adjustments. Reductions include \$69,056 for the deletion of four vacant positions, \$20,000 from office rents, \$550 from printing, and \$650 from supplies.

House Subcommittee Recommendation

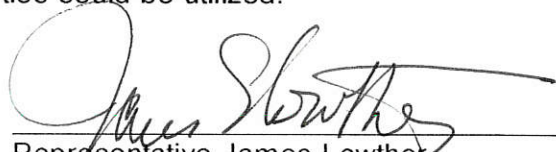
FY 1989. The Subcommittee concurs with the Governor's recommendations with the following observations:

1. The Subcommittee reviewed the agency's fee structure and observes a continuing decline in ending balances from \$414,213 in FY 1985 to \$153,088 estimated for FY 1989. FY 1988 receipts to date in the Livestock Market Brand Inspection Fee Fund and the Livestock Market Fee Fund are lower than during the same period for FY 1987, and it appears that full-year FY 1988 receipts will be lower than estimated. For both FY 1988 and FY 1989 the agency's budget is based upon the brand inspection (\$.30

*HA
2-23-88
Attachment 2*

fee per head) of 400,000 head of cattle at livestock markets, and on a \$.10 fee (the statutory maximum) charged on an estimated 3,200,000 head of cattle sold at public livestock markets. Neither of the estimates appear attainable. The Subcommittee directs the agency to consider increasing its Livestock Market Brand Inspection Fee from \$.30 per head to \$.40 (the statutory maximum is \$.50). The Subcommittee also recommends that the agency review the possibility of imposing a fee per head on cattle passing through feedlots.


2. The Subcommittee wishes to acknowledge efforts undertaken by the agency to achieve budget savings. FY 1988 turnover savings totaled \$104,000. By charging veterinarians for once-free health certificates and ear tags, \$12,500 was saved. With the reduction of 4.0 FTE positions and a consolidation of office space in FY 1989, rent expenditures will be reduced by \$20,000. The agency has reduced its involvement with the Kansas Junior Livestock Show, the State Ram Sale, and the State Dairy Show, and is reassessing its future involvement with the Kansas Beef Expo and the Kansas State Fair. The Subcommittee encourages the agency to continue in its efforts to initiate budget savings.
3. The Subcommittee remarks that the agency supports passage of a proposed kennel inspection law. The agency notes that the proposed program should be self supporting, although some of the agency's existing staff and facilities could be utilized.



Representative James Lowther,
Subcommittee Chairperson



Representative Kenneth King



Representative John Solbach

2733-055/sr

SUBCOMMITTEE REPORT

Agency: Grain Inspection Department

Bill No. 2733

Bill Sec. 4

Analyst: Rothe

Analysis Pg. No. 250

Budget Pg. No. 5-25

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 5,266,803	\$ 5,288,324	\$(15,000)
FTE Positions	169.0	169.0	--

Agency Request/Governor's Recommendation

The agency requests an FY 1989 expenditure limitation of \$5,266,803, an increase of \$341,770 (6.9 percent) above the approved FY 1988 estimate of \$4,925,033. Increases include \$118,319 for capital outlay, \$75,800 to expand the contract sampling program, \$62,042 for travel and subsistence, \$60,095 for salaries and wages, \$13,050 for supplies, and \$12,464 for other costs.

The Governor recommends \$5,288,324 in operating expenditures for FY 1989, an increase of \$21,521 above the agency's request and \$220,240 above the amount recommended for FY 1988. The FY 1989 recommendation includes \$138,253 for a 4 percent salary adjustment, and reductions of \$44,534 in turnover savings, \$26,600 in capital outlay, \$17,800 from contract sampling, \$25,958 from travel, and \$1,840 from miscellaneous costs.

House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the Governor's recommendations.

FY 1989. The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. The Subcommittee recommends the following expenditure reductions:
 - a. Inspections program -- delete \$1,000 from communications, \$2,000 from printing and \$1,000 from repairs; and
 - b. Warehouse program -- delete \$1,000 from communications, and \$10,000 from travel and subsistence.

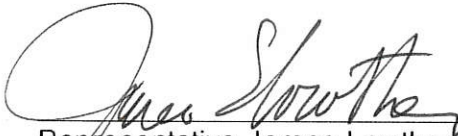
2. With the purchase of 14 portable computers and printers in the Warehouse program in FY 1989, the agency estimates a savings of 12 hours per week for each of the 14 Grain Warehouse Examiners II. The Governor has indicated that 2.0 F.T.E. examiners may be deleted in FY 1990. For FY 1989 and succeeding years, the

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Attachment 3*

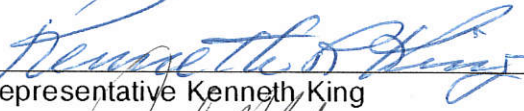
Subcommittee encourages the agency to utilize the time savings for additional warehouse inspections.

The fee fund analysis, based on the House Subcommittee's recommendation, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 1,954,701	\$ 1,735,841	\$ 2,128,507
Net Receipts	<u>4,592,421</u>	<u>5,710,750</u>	<u>5,196,750</u>
Total Available Funds	\$ 6,547,122	\$ 7,446,591	\$ 7,325,257
Less: Expenditures	4,596,529	5,068,084	5,273,324
Federal Fees Remitted	<u>217,424</u>	<u>250,000</u>	<u>250,000</u>
Ending Balance	<u>\$ 1,733,169</u>	<u>\$ 2,128,507</u>	<u>\$ 1,801,933</u>



Representative James Lowther
Subcommittee Chairperson



Representative Kenneth King



Representative John Solbach

2733-258/sr



WASHBURN UNIVERSITY OF TOPEKA

Topeka, Kansas 66621
Phone 913-295-6300

TO: House Committee on Appropriations
FROM: Marvin Schulteis, Vice Chairman
Washburn University Board of Regents
SUBJECT: **HOUSE BILL 2795**
DATE: February 23, 1988

Mr. Chairman and Members of the Committee:

I am appearing before you today to express the support of the Washburn University Board of Regents for the provisions contained in House Bill 2795. The Washburn Board of Regents continue to have as their long range goal full state affiliation for the University. House Bill 2795 does not make Washburn a state university, but does provide a positive change in our relationship with the state of Kansas.

In his January 12 State of the State address, Governor Hayden recommended the following for Washburn University.

Because of Washburn University's unique status in postsecondary education in Kansas, I am recommending that responsibility for administering state aid to Washburn University be transferred from the Board of Education to the Board of Regents, effective July 1, 1988. For FY 1989, the resources recommended for state support of Washburn University represent an increase of 5.2 percent over the amount of state aid recommended for the current fiscal year. I also recommend that the current statutory programs providing categorical aid to Washburn University be abolished and that state assistance to Washburn be consolidated into an operating grant.

House Bill 2795 implements the Governor's recommendations by repealing current statutory provisions for state credit hour aid and out-district aid. The bill also provides that the University will receive its state funding in the form of an operating grant and further, that the responsibility for administering this operating grant will be vested with the State Board of Regents. The Washburn University Board of Regents view the provisions of this bill as a positive step in Washburn's evolving relationship with the state of Kansas. It will allow the Legislature to review appropriations requests in a like manner for all public universities in the state and will allow the State Board of Regents to consider funding for Washburn along with funding for the state universities.

The State Board of Education, the University's current supervisory body, has endorsed the general provisions of House Bill 2795 in their budget recommendations to the Kansas Legislature. The State Board of Education has recommended the University receive an operating grant. Further, last summer the State Board of Education went on record as supporting a transfer of Washburn from their supervision to supervision by the State Board of Regents.

In summary, Washburn University supports House Bill 2795 and requests that you give this bill your favorable consideration.



WASHBURN UNIVERSITY OF TOPEKA

Vice President for Planning and Governmental Relations
Topeka, Kansas 66621
Phone 913-295-6712

TO: House Committee on Appropriations
FROM: David G. Monical, Vice President for Planning
and Governmental Relations
SUBJECT: **HOUSE BILL 2795:** Section Review and Proposed
Amendments
DATE: February 23, 1988

Mr. Chairman and Members of the Committee:

INTRODUCTION

House Bill 2795 implements the Governor's policy recommendations with regard to Washburn University. The bill eliminates current statutory provisions for credit hour aid and out-district aid. The bill provides for the University to receive its state support in the form of an operating grant to be administered by the State Board of Regents.

The bill would allow for the continuation of out-district tuition currently paid by counties and the townships within Shawnee County. It would continue approval of vocational educational programs by the State Board of Education and would have the auditing of credit hours for out-district tuition purposes administered by the State Board of Education.

Fiscal Year 1989 funding to implement the provisions of House Bill 2795 is currently contained in the Governor's recommendations in House Bill 2794. The appropriations bill provides for the University to receive \$4,581,028 in the form of a state operating grant for Fiscal Year 1989. This represents an approximate 5.0 percent increase over the Governor's recommendations for the current fiscal year. This appropriation, in keeping with the Governor's recommendations, is made to the State Board of Regents office.

SECTION 1

This section amends KSA 72-6501 and does two things. First, it effectively changes the state supervising agency to the State Board of Regents by substituting "regents" for "education" in what was subsection (c). In addition, it removes statutory requirements relating to classroom hours of instruction in order to determine credit hours for purposes of state credit hour aid.

SECTION 2

The amendments here are to KSA 72-6503 and result in the deletion of existing provisions for state credit hour aid. The section goes on to provide in new Subsection (a) that beginning with the 1989 Fiscal Year, the University is entitled to receive payment from the state general fund of an operating grant in an amount provided by appropriation. Subsection (b) provides that beginning in Fiscal Year 1990, Washburn will submit a budget estimate and a request for an operating grant to the State Board of Regents. The State Board of Regents shall review the University's request and forward the request, along with an amount that is determined by the State Board of Regents to be appropriate for the operating grant, to the Director of the Budget for presentation to the Governor and the Legislature. Subsection (c) retains existing prohibitions regarding expenditures of state general fund money.

SECTION 3

This section provides for payment to the University of its operating grant and amends KSA 72-6506 to eliminate statutory requirements for payments on December 1 and April 1 of each year.

SECTION 4

This section makes minor amendments to KSA 72-6507 and is simply cleanup.

SECTION 5

KSA 72-6508 has minor amendments made to it by this section. The changes are in the name of the fund from which the payment is made and it is made clear that the payment is an operating grant.

SECTION 6

This section makes the same amendments to KSA 72-6509 as were made to KSA 72-6508.

SECTION 7

This section amends KSA 13-13a27 by striking out reference to out-district state aid so that it is clear that the operating grant will be in lieu of out-district state aid and credit hour state aid. This section retains authority for the State Board of Education to have rule making authority for guidelines relating to residency determination and local subdivision liability for out-district tuition.

SECTION 8

This makes changes to KSA 13-13(a)34 and basically represents cleanup with regard to out-district tuition.

PROPOSED AMENDMENTS

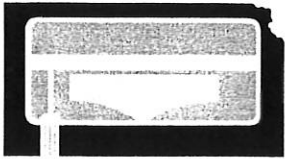
The University recommends several amendments to improve the clarity of HB 2795.

In Section 2(b), it is stated the State Board of Regents shall "determine" the amount to be received by the University as an operating grant. Given that the actual determination of an appropriation will be done by the Legislature, the word "determine" may be inappropriate and should perhaps be replaced with the word "recommend." Therefore, we request your consideration, in Lines 66-67, to replace the word "determine" with the word "recommend," and in Line 71 to replace the word "determined" with the word "recommended."

Further, in Lines 75-78 there is additional reference to the State Board of Regents determining the amount the University is to receive. This last sentence could be replaced by one which reads "line items appropriated by the Legislature for the University shall be the amounts the University is entitled to receive as an operating grant in the fiscal year."

With regard to Section 3 which strikes the payment dates on which the University is entitled to receive its operating grant, the committee may wish to consider providing an amendment which would continue to specify that payments of the operating grant shall be one-half of the appropriated amount on December 1 and one-half on April 1 of each year, and to strike language stating "at a time to be determined by the State Board of Regents." Actual payment dates could still be amended by Appropriation Bill provisos as are currently contained in HB 2794 to provide for three payment dates during Fiscal Year 1989.

The University supports HB 2795 and feels that these amendments will clarify the intent of the proposed legislation.



KANSAS BOARD OF REGENTS

SUITE 609 • CAPITOL TOWER • 400 SW EIGHTH • TOPEKA, KANSAS 66603-3911 • (913) 296-3421

TESTIMONY ON H.B. 2795

Dr. Stanley Z. Koplik, Executive Director
Kansas Board of Regents
February 23, 1988

I am appearing here today in order to express the willingness of the Kansas Board of Regents to administer the provisions of H.B. 2795 affecting Washburn University.

We believe it is more efficient for the same state agency to administer all aspects of state aid to Kansas universities. As you know, we already do this for the state's six public universities and twenty independent schools whose students receive money through the Tuition Grant Program. If the State of Kansas is going to continue its substantial investment in Washburn University, it is our opinion that a greater degree of coordination of higher education could be achieved through H.B. 2795.

As a consequence of H.B. 2795, we should anticipate that budgetary principles and practices now affecting our state universities will also affect Washburn University. Since we would be given responsibility for making a budget recommendation for Washburn, it is reasonable to assume that there will likely be greater uniformity between the Regents' university budgets and Washburn University in future requests.

I do wish to bring to your attention two technical adjustments in the bill which we believe should be addressed in order to further clarity and effective administration.

- A. Lines 66 through 70 presently read, "The State Board (of Regents) shall 'determine' an amount to be received by the university as an operating grant from the state by reviewing the budget estimates submitting by the university and approving or adjusting the amount requested." Since actual budgetary determinations are made by legislative appropriation, and not by the Board, use of the word determine is probably inappropriate and should more appropriately be replaced with "recommend."
- B. Lines 75 to 78 contain a similar reference to amounts being "determined" by the Board. That sentence could be clarified by replacing it with a sentence reading as follows: "Legislative appropriations shall be the amounts the university is entitled to receive as an operating grant in the fiscal year."

We are prepared to administer the operating grant principles proposed in H.B. 2795 during FY 1989 assuming passage of this bill.



ASSOCIATED STUDENTS OF KANSAS

The Student Governments of the State Universities

Suite 608 • Capitol Towers • 400 S.W. 8th St. • Topeka, Ks. 66603 • (913) 354-1394

Christine A. Graves
Executive Director

Mark E. Tallman
Director of Legislative Affairs
and Development

MEMBERS:

Associated Student Government
Emporia State University
Memorial Union
Emporia, Kansas 66801
316-343-1200 ext. 5494

Student Government Association
Fort Hays State University
Memorial Union
Hays, Kansas 67601
913-628-5311

Student Governing Association
Kansas State University
Student Union
Manhattan, Kansas 66506
913-532-6541

Student Government Association
Pittsburg State University
Student Union
Pittsburg, Kansas 66762
316-231-7000 ext. 4813

Student Senate
University of Kansas
Burge Union
Lawrence, Kansas 66045
913-864-3710

Student Government Association
The Wichita State University
Campus Activities Center
Wichita, Kansas 67208
316-689-3480

TO: Members of the House Appropriations Committee
FROM: Mark Tallman, Legislative Director
DATE: February 22, 1988

RE: HB 2795 -- Financing of Washburn University

Position

ASK supports the passage of HB 2795.

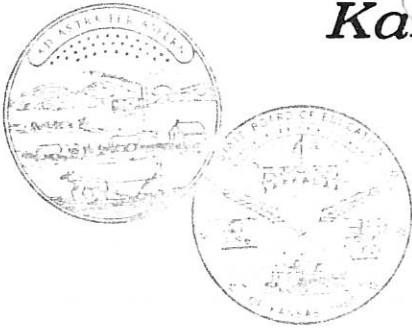
Although the Washburn University student association has previously been a member of ASK, our membership is currently limited to the student government associations at the state universities. However, we believe that funding and governance methods for one institution, or type of institutions, have ramifications for other institutions. We support a greater degree of coordination among Kansas colleges and universities.

Currently, the Kansas Board of Regents has been vested with the responsibility for the statewide delivery of higher education programs from four-year institutions. It seems logical to us that the Regents should be the agency that reviews Washburn's budget requests.

Many students attending the state universities are concerned about proposals to make Washburn an additional state university. ASK does not have a position either supporting or opposing that change. Certainly, HB 2795 could be seen as a step in that direction. However, we believe that the long-term policy regarding Washburn must be evaluated in light of the overall higher education agenda in Kansas. The Board of Regents is in the best position to do so.

Thank you for your consideration.

HA
2-23-88
Attachment 7



Kansas State Board of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103

Mildred McMillon
District 1

Connie Hubbell
District 4

Bill Musick
District 6

Evelyn Whitcomb
District 8

Kathleen White
District 2

Sheila Frahm
District 5

Richard M. Robl
District 7

Robert J. Clemons
District 9

Paul D. Adams
District 3

Marion (Mick) Stevens
District 10

February 22, 1988

TO: House Committee on Appropriations
FROM: State Board of Education
SUBJECT: 1988 House Bill 2795

My name is Connie Hubbell, Legislative Chairman of the State Board of Education. I appreciate the opportunity to submit this testimony on behalf of the State Board.

House Bill 2795 transfers the state aid funding distribution for Washburn University from the State Board of Education to the State Board of Regents. In addition, beginning in fiscal year 1989, the Legislature would repeal the credit hour requirements set out by law and fund Washburn University through an operating grant.

The State Board of Education supports the concept of House Bill 2795 and encourages this Committee to report this bill favorably for passage.

HA
2-23-88
Attachment 8

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. 2796

Bill Sec. 36

Analyst: Rothe

Analysis Pg. No. 256

Budget Pg. No. 5-39

<u>Expenditure Summary</u>	<u>Agency Est. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,351,627	\$ 2,337,844	\$ 8,425
Capital Improvements	<u>1,291,934</u>	<u>190,934</u>	<u>--</u>
TOTAL	<u>\$ 3,643,561</u>	<u>\$ 2,528,778</u>	<u>\$ 8,425</u>
State General Fund:			
Capital Improvements	\$ 1,291,934	\$ 190,934	\$ --
FTE Positions	16.0	16.0	--

Agency Estimate/Governor's Recommendation

Although total receipts of \$2,306,352 for the 1987 Kansas State Fair were \$320,355 higher than receipts from the 1986 Fair (\$1,985,997), the 1987 Fair generated \$46,234 less revenue than originally anticipated. Receipts from the 1985 Fair totaled \$1,972,142. Gate attendance increased from 298,458 during the 1985 Fair to 312,145 in 1986 and to 339,675 in 1987. Grandstand attendance was 71,844 in 1985, 64,103 in 1986, and 69,344 in 1987. The agency's revised FY 1988 estimate of operating expenditures totals \$2,351,627, a reduction of \$12,169 from the approved amount. The agency requests an expenditure limitation increase totaling \$54,301 in the State Fair Fee Fund, including \$47,000 shifted from the no-limit entertainment expenditure portion of the fund and \$7,301 for other costs due to increased attendance at the 1987 Fair. The agency also requests an FY 1988 supplemental appropriation of \$1,101,000 from the State General Fund to complete the renovation of the grandstand.

The Governor recommends FY 1988 operating expenditures of \$2,337,844, a reduction of \$13,783 from the agency's estimate. The recommendation includes an expenditure limitation increase of \$40,383 in the State Fair Fee Fund, increases of \$1,924 in salaries and \$5,000 in utilities, and reductions of \$5,000 from printing and advertising, \$8,425 from fees for other services, \$6,000 from maintenance supplies, and \$1,282 from other costs. Although not reflected in expenditure totals for capital improvements, the Governor recommends completion of the grandstand renovation project subject to financing from bonds issued through the Kansas Development Finance Authority to be serviced by increased State Fair revenues.

House Subcommittee Adjustments

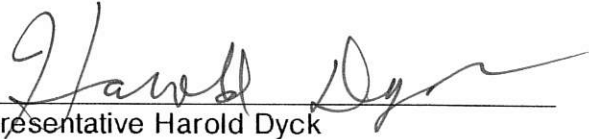
FY 1988. The Subcommittee concurs with the Governor's recommendations with the following adjustments:

*HA
2-23-88
Attachment 9*

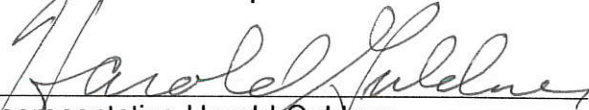
1. Add \$8,425 from the State Fair Fee Fund for fees for other services (which includes judges fees, refuse costs, janitorial services, data processing, and other costs) in the Operations program. The Subcommittee recommends a total of \$110,125 for fees for other services in FY 1988.

The fee fund analysis, based on the House Subcommittee's recommendation, is as follows:

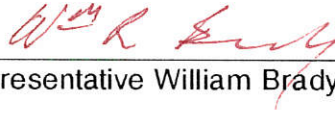
<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>
<u>State Fair Fee Fund:</u>		
Beginning Balance	\$ 51,917	\$ 31,128
Net Receipts	<u>1,985,997</u>	<u>2,306,352</u>
Funds Available	<u>\$2,037,914</u>	<u>\$2,337,480</u>
Less:		
Entertainment Expend.	\$ 502,643	\$ 578,000
Other Expenditures	1,405,489	1,593,248
Nonexpense Items	<u>98,654</u>	<u>99,447</u>
Ending Balance	<u>\$ 31,128</u>	<u>\$ 66,785</u>
<u>Non Fair Days Act. Fund:</u>		
Beginning Balance	\$ 95,875	\$ 32,730
Net Receipts	<u>141,375</u>	<u>180,725</u>
Funds Available	<u>\$ 237,250</u>	<u>\$ 213,455</u>
Less: Expenditures		
Nonexpense Items	195,429	175,021
	<u>9,091</u>	<u>10,225</u>
Ending Balance	<u>\$ 32,730</u>	<u>\$ 28,209</u>



Representative Harold Dyck
Subcommittee Chairperson



Representative Harold Guldner



Representative William Brady

2796-373/sr

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. 2733

Bill Sec. 5

Analyst: Rothe

Analysis Pg. No. 256

Budget Pg. No. 5-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,515,684	\$ 2,463,425	\$ 96,442
Capital Improvements	<u>1,672,000</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 4,187,684</u>	<u>\$ 2,463,425</u>	<u>\$ 96,442</u>
State General Fund:			
Capital Improvements	\$ 1,672,000	\$ --	\$ --
FTE Positions	16.0	16.0	--

Agency Request/Governor's Recommendation

For FY 1989 the agency requests operating expenditures of \$2,515,684, an increase of \$164,057 above the revised FY 1988 estimate of \$2,351,627. The request includes \$6,673 to provide a 3 percent salary adjustment to temporary employees and increases of \$36,229 for other salaries, \$21,300 for printing and advertising, \$47,000 for entertainment costs, \$13,000 for utilities, \$26,460 for capital outlay, and \$13,395 for all other costs.

The Governor recommends FY 1989 operating expenditures of \$2,463,425, a reduction of \$52,259 from the agency's request. The recommendation includes a 4 percent salary adjustment of \$14,747 for full-time employees and \$10,654 for a 4 percent salary adjustment for part-time employees. Reductions include \$9,676 in other salary adjustments, \$19,150 from printing and advertising, \$22,569 from capital outlay, \$12,800 from supplies, and \$13,465 from other costs.

House Subcommittee Adjustments

FY 1989. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Adjust the State Fair Fee Fund expenditure limitation in the agency's appropriations bill (H.B. 2733) by \$88,425, from \$1,558,167 to \$1,646,592, to reflect the Governor's intent.
2. Add \$5,017 from the State Fair Fee Fund in the Operations program for temporary office help. The recommendation is half of the amount requested by the agency.

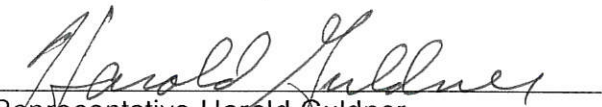
3. Add \$3,000 for maintenance materials, supplies, and parts in the Maintenance program, including \$2,700 from the State Fair Fee Fund and \$300 from the Nonfair Days Activities Fee Fund. The Subcommittee recommends a total of \$18,000 for maintenance materials in FY 1989.

The fee fund analysis, based on the House Subcommittee's adjustments, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
<u>State Fair Fee Fund</u>			
Beginning Balance	\$ 51,917	\$ 31,128	\$ 66,785
Net Receipts	<u>1,985,997</u>	<u>2,306,352</u>	<u>2,380,270</u>
Funds Available	<u>\$ 2,037,914</u>	<u>\$ 2,337,480</u>	<u>\$ 2,447,055</u>
Less:			
Entertainment Expend.	\$ 502,643	\$ 578,000	\$ 625,000
Other Expenditures	1,405,489	1,593,248	1,654,309
Nonexpense Items	<u>98,654</u>	<u>99,447</u>	<u>91,000</u>
Ending Balance	<u>\$ 31,128</u>	<u>\$ 66,785</u>	<u>\$ 76,746</u>
<u>NonFair Days Act. Fund:</u>			
Beginning Balance	\$ 95,875	\$ 32,730	\$ 28,209
Net Receipts	<u>141,375</u>	<u>180,725</u>	<u>191,800</u>
Funds Available	<u>\$ 237,250</u>	<u>\$ 213,455</u>	<u>\$ 220,009</u>
Less:			
Expenditures	195,429	175,021	192,133
Nonexpense Items	<u>9,091</u>	<u>10,225</u>	<u>10,600</u>
Ending Balance	<u>\$ 32,730</u>	<u>\$ 28,209</u>	<u>\$ 17,276</u>



Representative Harold Dyck
Subcommittee Chairperson



Representative Harold Guldner



Representative William Brady

2733-373/sr

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission Bill No. 2733 Bill Sec. 6
 Analyst: Rothe Analysis Pg. No. 263 Budget Pg. No. 5-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 1,712,476	\$ 1,139,307	\$ --
FTE Positions	8.0	8.0	--

Agency Request/Governor's Recommendation

The agency requests expenditures of \$1,712,476 for FY 1989, an increase of \$453,131 above the revised FY 1988 estimate. The increase is due in large part to additional funding for contracts with Kansas State University, the U.S. Wheat Associates, and others (\$447,790); and for salary step movement (\$24,241). Decreases include \$11,700 in capital outlay and \$5,000 in travel costs. The agency's FY 1989 request is based on an increase in the wheat levy from 4 to 7 mills per bushel sold resulting in additional receipts of \$897,680 above estimated FY 1988 receipts.

The Governor recommends \$1,139,307 for FY 1989 (based upon the current 4 mill wheat levy), a reduction of \$573,169 from the agency's request. Recommended reductions include \$512,000 from contracted research, \$8,000 from communications, \$21,000 from printing and advertising, \$20,000 from travel, \$4,000 from supplies, and \$16,150 from other costs. An increase of \$7,981 is recommended for salaries, including \$8,847 for a 4 percent salary adjustment and a reduction of \$866 due to other unclassified salary adjustments.

House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the Governor's recommendation.

FY 1989. The Subcommittee concurs with the Governor's recommendation with the following comment:

1. The Subcommittee notes the introduction of two bills. The first, S.B. 448, would increase the Wheat Commission's mill levy rate per bushel of wheat sold from four to "not more than 10." Assuming the annual sale of 300,000,000 bushels of wheat, gross receipts for each mill totals \$300,000. The Governor's recommendation, based upon a 4-mill rate, includes estimated gross receipts of \$1,200,000. The Commission's FY 1989 estimate of receipts, based upon a 7-mill rate, is \$2,100,000 (an increase of \$900,000). The second bill, S.B. 449, would reduce from \$200,000 to \$100,000 the amount transferred to the State General Fund from annual receipts of the Kansas Wheat, Corn, Grain Sorghum, and Soybean Commissions. The Wheat Commission's estimated FY

*HA
2-23-88
Attachment 10*

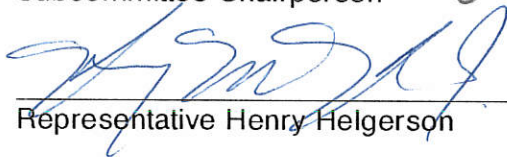
1989 transfer of \$75,000 would be reduced to \$37,500. Pending passage of S.B.'s 448 and 449, the Subcommittee recommends FY 1989 expenditures based upon current revenue estimates. However, upon passage of these bills, the Commission will return to the Legislature to request an expenditure limitation increase for FY 1989 in order to expand its contractual research projects.

The fee fund analysis, based upon the House Subcommittee's recommendation, is as follows:

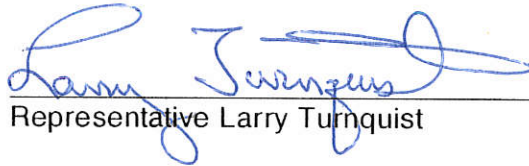
<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 593,626	\$ 349,954	\$ 192,225
Net Receipts	<u>1,013,820</u>	<u>1,132,320</u>	<u>1,130,000</u>
Total Available Funds	1,607,446	1,482,274	1,322,225
Less: Expenditures	1,202,193	1,230,049	1,139,307
Nonreportable Exp.	<u>56,203</u>	<u>60,000</u>	<u>60,000</u>
Ending Balance	<u>\$ 349,050</u>	<u>\$ 192,225</u>	<u>\$ 122,918</u>



Representative Rex Hoy
Subcommittee Chairperson



Representative Henry Helgerson



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Board of Agriculture

Bill No. 2796

Bill Sec. 31

Analyst: Rothe

Analysis Pg. No. 227

Budget Pg. No. 5-1

<u>Expenditure Summary</u>	<u>Agency Est. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 7,194,956	\$ 7,219,842	\$ --
Agency Fee Funds	2,186,559	2,251,959	--
Grain Commission Funds	1,377,853	1,377,851	--
Federal Meat and Poultry Fund	1,070,133	1,072,390	--
Other Federal Funds	501,810	503,553	--
Other Special Funds	<u>9,000</u>	<u>9,000</u>	--
Subtotal	<u>\$ 12,340,311</u>	<u>\$ 12,434,595</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	<u>\$ 82,000</u>	<u>\$ 82,000</u>	<u>\$ --</u>
TOTAL	<u>\$ 12,422,311</u>	<u>\$ 12,516,595</u>	<u>\$ --</u>
 FTE Positions	 305.0	 305.0	 --

Agency Estimate/Governor's Recommendation

The agency's revised FY 1988 estimate of operating expenditures of \$12,340,310 is a reduction of \$77,077 below the amount approved by the 1987 Legislature, and is \$610,294 (5.2 percent) above actual FY 1987 expenditures. The revised estimate includes \$7,194,956 from the State General Fund, as approved, and \$5,145,355 from special revenue funds, a reduction of \$77,077 below the amount approved. The largest reduction is \$54,225 from the federal Medicated Feed Mill Inspection Fund due to a decrease in the number of feed mill inspections required by the federal government.

The Governor recommends FY 1988 operating expenditures totaling \$12,434,595, an increase of \$94,284 above the agency's revised estimate. The recommendation includes \$7,219,842 from the State General Fund (an increase of \$24,886) and \$5,214,753 from special revenue funds (an increase of \$69,398). The recommendation includes an increase of \$28,884 due to health insurance and other salary adjustments, and \$65,400 from the Economic Development Initiatives Fund as the result of a Governor's Budget Amendment to promote Kansas products at Bloomingdale's stores.

House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

*HA
2-23-88
Attachment 11*

1. Shift \$30,000 from the State General Fund from salaries and wages to FACTS legal services. The shift would provide a total of \$130,000 for contractual legal services in FY 1988.
2. The Subcommittee concurs with the Governor's Budget Amendment which added \$65,400 from the Economic Development Initiatives Fund to the Agricultural Market Promotion and Development program for promotion of Kansas products at Bloomingdale's.

Rochelle Chronister

Representative Rochelle Chronister
Subcommittee Chairperson

Bill Bunten

Representative William Bunten

Donald Mailey

Representative Donald Mailey

David Heinemann

Representative David Heinemann

Lee Hamm

Representative Lee Hamm

2796-046/SR

SUBCOMMITTEE REPORT

Agency: Board of Agriculture

Bill No. 2733

Bill Sec. 2

Analyst: Rothe

Analysis Pg. No. 227

Budget Pg. No. 5-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 8,042,500	\$ 7,678,476	\$ (17,429)
Agency Fee Funds	2,412,980	2,629,180	--
Grain Commission Funds	2,431,078	2,434,190	--
Federal Meat and Poultry Fund	1,024,875	1,129,706	(7,516)
Other Federal Funds	582,775	591,846	--
Aid to Local Units	--	40,000	--
Other Special Funds	<u>9,000</u>	<u>9,000</u>	<u>--</u>
Subtotal	<u>\$ 14,503,208</u>	<u>\$ 14,512,398</u>	<u>\$ (24,945)</u>
Capital Improvements:			
State General Fund	<u>\$ 90,145</u>	<u>\$ --</u>	<u>\$ --</u>
TOTAL	<u>\$ 14,593,353</u>	<u>\$ 14,512,398</u>	<u>\$ (24,945)</u>
 FTE Positions	 319.0	 310.0	 --

Agency Request/Governor's Recommendation

The agency requests \$14,503,208 for operating expenditures in FY 1989, an increase of \$2,162,897 (17.5 percent) above the FY 1988 revised estimate. Of the increase, \$830,545 is attributed to salaries and wages, \$1,018,367 to contracted commodity commission research, \$180,270 to travel, and \$133,715 to all other expenditures. The request includes \$8,042,500 from the State General Fund, an \$847,544, or an 11.8 percent, increase above the revised FY 1988 estimate. The agency requests a total of 319 FTE positions, an increase of 14 FTE above FY 1988. Expenditures requested for the new positions include \$410,147 for salaries and \$100,939 for other costs, for a total of \$511,086.

The Governor recommends FY 1989 operating expenditures of \$14,512,398, an increase of \$9,190 above the agency's request. The recommendation includes \$7,678,476 from the State General Fund (a decrease of \$364,024) and \$6,833,922 from special revenue funds (an increase of \$373,214). The recommended financing includes expenditures from resources transferred from the Economic Development Initiatives Fund (EDIF): \$178,696 to finance an expansion of the marketing program; and \$25,000 for the Arkansas River Study. Also, \$40,000 is transferred from oil overcharge funds to finance the Noxious Weeds program as a single statewide district. The Governor recommends \$331,933 for a 4 percent salary adjustment. The Governor also recommends \$150,262 for the salaries and \$39,415 for associated costs of 5.0 FTE new positions.

House Subcommittee Recommendation

FY 1989. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$15,032 from salaries and wages in the Meat and Poultry Inspection program to adjust the turnover rate from 0.1 percent to 1.0 percent as had been intended. The reduction includes \$7,516 from the State General Fund and \$7,516 from the federal Meat and Poultry Inspection Fund.
2. Delete \$14,267 from the State General Fund from the salaries and wages of temporary employees in the Statistical Services and Support program. The Governor's recommendation of \$30,760 for nine new temporary positions to assist with the publication of statistical surveys is \$27,005 more than requested by the agency. The Subcommittee recommends a total of \$16,493 for temporary help.
3. Delete \$35,052 from the State General Fund from travel and subsistence in the Agricultural Marketing Promotion and Development program. The Governor's FY 1989 recommendation of \$121,712 for travel compares with estimated FY 1988 costs of \$51,609. The Subcommittee recommends a total of \$86,660 for travel costs in FY 1989.
4. Shift \$32,071 from the Economic Development Initiatives Fund (EDIF) from salaries and wages to other operating expenditures and delete the 1.0 FTE limited-term Agricultural Marketing Specialist III recommended by the Governor for the Agricultural Marketing Promotion and Development program. For FY 1989, the Governor recommends the expenditure of \$178,696 from the EDIF in this program, including \$32,071 for the new position. The Subcommittee concurs with EDIF expenditures of \$178,696, but recommends the position be funded contractually from the State General Fund rather than as a classified FTE position funded from the EDIF.
5. Add \$39,406 from the State General Fund and 1.0 FTE Ecological Specialist to the Noxious Weeds program, including \$31,100 for salaries and wages and \$8,306 for other operating costs. The Subcommittee recommends a total of 3.0 FTE positions for this program, including two Ecological Specialists and one clerical position.
6. The Subcommittee notes that the Governor recommends a transfer of \$40,000 from oil overcharge funds to the Noxious Weeds program. The funds would support a pest management program to manage noxious weeds through the use of biological control (insects and other organisms). The Governor justifies utilization of oil overcharge funds for this program with the belief that fuel savings will be realized through a reduction in chemical spraying.


7. The Subcommittee notes that nearly half of the \$2,143,203 increase in FY 1989 operating expenditures recommended by the Governor for the Board of Agriculture is due to a \$1,056,339 increase in the expenditure limitations of the commodity commissions. As a result of federal government agricultural policies and improved weather conditions, revenue collections by the Kansas Corn, Grain Sorghum, and Soybean Commissions increased in fiscal years 1987 and 1988.



Representative Rochelle Chronister
Subcommittee Chairperson



Representative William Bunten



Representative Donald Mainey



Representative David Heinemann



Representative Lee Hamm

2733-046/SR

PROPOSED AMENDMENTS TO H.B. NO. 2733

For Consideration by Committee on Appropriations

Be amended:

On page 2, following line 132, by inserting the following material to read as follows:

"Provided, That all expenditures from this fund shall be for grants to counties for a pilot program of biological control of noxious weeds in counties selected therefor in accordance with policies and guidelines adopted for such program by the state board of agriculture.";

HA
2-23-88
Attachment 12

SUBCOMMITTEE REPORT

Agency: Kansas Water Office

Bill No. 2733

Bill Sec. 8

Analyst: Ahrens

Analysis Pg. No. 275

Budget Pg. No. 5-33

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Operations of Water			
Office and			
Authority	\$ 1,298,564	\$ 1,310,733	\$ (1,473)
Reservoir Storage and			
Operations	<u>1,105,544</u>	<u>1,105,544</u>	--
TOTAL	<u>\$ 2,404,108</u>	<u>\$ 2,416,277</u>	<u>\$ (1,473)</u>
FTE Positions	22.0	22.0	--

Agency Estimate/Governor's Recommendation

FY 1988. The total estimated budget for the current fiscal year is \$3,205,623. This includes the amount of \$3,196,081 approved by the 1986 Legislature, and an additional \$9,542 in federal funds made available to the agency under a contract with the U.S. Corp of Engineers, Kansas City District. The Governor recommends the expenditure of \$3,200,387 for FY 1988, a reduction of \$5,236 in salaries and wages from the agency's estimate.

FY 1989. The agency's request for operating expenditures for FY 1989 totals \$2,404,108 from the State General Fund. Total requested expenditures represent a decrease of \$801,515 below the agency's FY 1988 revised estimate. The reduction is largely attributable to one-time expenditures in FY 1988 required to repair the main dam at John Redmond Lake. The Governor recommends the expenditure of \$2,416,277 for FY 1989, an increase of \$12,169 above the agency's request. Salaries and wages are increased by \$36,871 above the agency's request to reflect salary adjustments and requested contractual services are reduced by \$24,612.

House Subcommittee Recommendations

The Subcommittee concurs with the FY 1988 and FY 1989 budget recommendations of the Governor with the following changes:

1. Reduce FY 1988 expenditures for salaries and wages by \$6,000 of additional savings and transfer up to \$2,845 of these savings to other operating expenditures for the purpose of purchasing the agency's rented copier. Continuation of rental agreements for equipment used in the regular course of agency operations is not economical. This transfer is proposed to be made by Governor's Executive Directive. This recommendation reduces current year expenditures by a net of \$3,155 below the Governor's recommendation.

HA
2-23-88
Attachment 13

2. In connection with the purchase of the copier, reduce FY 1989 expenditures for rents by \$3,993, the annualized rental cost included in the recommended budget.
3. Increase the FY 1989 expenditures for repairing and servicing by \$2,520 which is the equivalent of the estimated cost of a maintenance agreement on the copier. This amount and \$559 recommended by the Governor for repairing and servicing other equipment should be pooled as a resource for equipment repair in lieu of maintenance contracts as recommended by the Division of Post Audit.
4. Make the following other adjustments to Section 8 of H.B. 2733, as introduced:
 - a. Retain the present practice of appropriating for operations expenses of the Water Office and Water Authority as two line items for Salaries and Wages and Other Operating Expenditures.
 - b. Reappropriate \$8,391 of FY 1988 salary and wage savings to FY 1989 (Governor's identified savings of \$5,236 plus subcommittee additional savings of \$3,155).
 - c. Insert an appropriation item for the State Conservation Storage Water Supply Fund with a zero expenditure limitation. Explicit appropriation of this fund has been overlooked in the appropriation acts of recent years. This Subcommittee endorses the use of this fund for the FY 1989 small lakes projects for Centralia and Wellington.

Rochelle Chronister

Representative Rochelle Chronister
Subcommittee Chairperson

Bill Bunten

Representative Bill Bunten

Dave Heinemann

Representative Dave Heinemann

Don Maaney

Representative Don Maaney

Lee Hamm

Representative Lee Hamm

SUBCOMMITTEE REPORT

Agency: State Conservation Commission Bill No. 2733 Bill Sec. 7
 Analyst: Ahrens Analysis Pg. No. 267 Budget Pg. No. 5-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
Administration	\$ 671,050	\$ 241,861	\$ 21,056
Aid to Conservation Districts	765,571	765,571	--
Watershed Dam Construc- tion	2,000,000	770,000	--
Multipurpose Small Lakes	1,323,000	1,157,482	--
Water Resource Cost- Share	2,500,000	1,360,000	--
High Priority Cost- Share	4,500,000	230,000	927,482
Benefit Area Program	72,241	--	--
Stream Rehabilitation	2,785,600	--	900,000
TOTAL	<u>\$14,617,462</u>	<u>\$ 4,524,914</u>	<u>\$ 1,848,538</u>
State General Fund:			
Administration	\$ 671,050	\$ 241,861	\$ 21,056
Aid to Local Units	6,946,412	1,535,571	--
Other Assistance	7,000,000	1,590,000	(230,000)
TOTAL	<u>\$ 14,617,462</u>	<u>\$ 3,367,432</u>	<u>\$ (208,944)</u>
FTE Positions	14.0	7.0	1.0

Agency Estimate/Governor's Recommendation

The FY 1989 agency request reflects an increase above the FY 1988 estimated expenditures for the following: \$164,693 for 7.0 additional FTE; \$150,000 for watershed planning; \$1,192,796 for State Aid for Watershed Dam Construction; \$1,048,421 for the Water Resource Cost-Share Program; \$4,268,643 for the High Priority Cost-Share Program; \$1,084,456 for the Small Lakes Program; \$72,241 for the Benefit Area Program; and \$2,785,600 for a new Stream Rehabilitation Program.

The Governor recommends \$4,524,914 for FY 1989. Of the amount recommended, \$3,367,432 is from the State General Fund and \$1,157,482 is from the Economic Development Initiatives Fund (EDIF). The requested expenditures from the EDIF would fund portions of two Multipurpose Small Lake Program projects, Centralia Site 50 (\$240,000), and Wellington Lake (\$1,083,000). Aid to Conservation Districts is funded at the amounts certified to the Commission in accordance with K.S.A. 2-1907c (on or before September of each year) and the watershed dam construction program and the two cost-share programs are funded at the appropriation levels for FY 1988, excluding reappropriations from FY 1987.

*HA
2-23-88
Attachment 14*

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following changes:

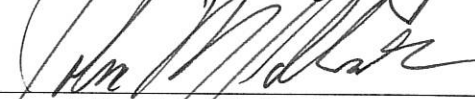
1. Add \$21,056 for an additional FTE position of Secretary II with the expectation that the position will provide needed clerical assistance to the entire Commission staff. The recommended cost includes \$19,104 for salary and benefits, \$1,056 for 150 square feet of office space, and \$896 for office furniture and equipment.
2. Shift the \$1,157,482 of recommended financing for the Centralia and Wellington small lakes projects from the Economic Development Initiatives Fund to the State Conservation Water Supply Fund.
3. Substitute for the \$230,000 General Fund financing for the High Priority Water Resources Cost-Share Program, \$1,157,482 from the Economic Development Initiatives Fund.
4. Add \$900,000 for the first phase of the rehabilitation of the Black Vermillion River Basin between Frankfort and Vliets. The subcommittee recommends the use of oil overcharge moneys (from non-Warner sources, such as the stripper well awards and interest earnings therefrom) for this project.



Representative Jim Lowther, Chairperson



Representative Kenneth King



Representative John Solbach