

SENATE SUBCOMMITTEE REPORTS

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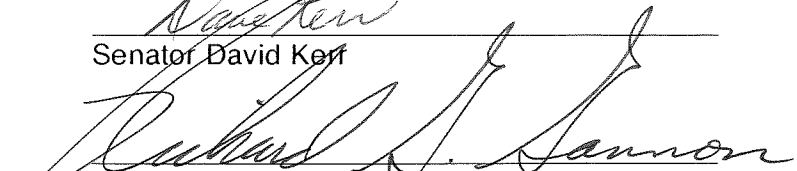
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Senator Joseph Harder
Subcommittee Chairperson



Senator David Kerr



Senator Richard Gannon

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	2,186,559	--
Grain Commission Funds	1,377,853	1,377,851	--
Economic Development Initiatives Fund	--	65,400	--
Federal Meat and Poultry Fund	1,070,133	1,072,390	--
Other Federal Funds	501,810	503,553	--
Other Special Funds	9,000	9,000	--
Subtotal	<u>\$ 12,340,311</u>	<u>\$ 12,434,595</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 82,000	\$ 82,000	\$ --
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:

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.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 7,219,842	\$ --
Agency Fee Funds	--	2,186,559	--
Grain Commission Funds	--	1,377,851	--
Economic Development Initiatives Fund	--	65,400	--
Federal Meat and Poultry Fund	--	1,072,390	--
Other Federal Funds	--	503,553	--
Other Special Funds	--	9,000	--
Subtotal	\$ --	<u>\$12,434,595</u>	\$ --
Capital Improvements:			
State General Fund	\$ --	\$ 82,000	\$ --
TOTAL	\$ --	<u>\$12,516,595</u>	\$ --
FTE Positions	--	305.0	--

Senate Subcommittee Recommendation

The Subcommittee concurs with the House's recommendations.

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	2,425,484	--
Grain Commission Funds	2,431,078	2,434,190	--
Economic Development Initiatives Fund	--	203,696	--
Federal Meat and Poultry Fund	1,024,875	1,129,706	(7,516)
Other Federal Funds	582,775	591,846	--
Aid to Local Units (Oil Overcharge)	--	40,000	--
Other Special Funds	9,000	9,000	--
Subtotal	<u>\$ 14,503,208</u>	<u>\$ 14,512,398</u>	<u>\$ (24,945)</u>
Capital Improvements:			
State General Fund	\$ 90,145	\$ --	\$ --
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.

- 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.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (17,429)	\$ 7,661,047	\$ 82,746
Agency Fee Funds	--	2,425,484	--
Grain Commission Funds	--	2,434,190	--
Economic Development Initiatives Funds	--	203,696	--
Federal Meat and Poultry Fund	(7,516)	1,122,190	--
Other Federal Funds	--	591,846	--
Aid to Local Units (Oil Overcharge)	--	40,000	--
Other Special Funds	--	9,000	--
Subtotal	<u>\$ (24,945)</u>	<u>\$14,487,453</u>	<u>\$ 82,746</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ 21,991
TOTAL	<u>\$ (24,945)</u>	<u>\$14,487,453</u>	<u>\$ 104,737</u>
FTE Positions	--	310.0	1.0

Senate Subcommittee Recommendation

The Subcommittee concurs with the House's recommendations with the following adjustments:

- Add \$30,000 from the State General Fund for contractual legal services in the FACTS program. The Subcommittee concurs with

the \$130,000 appropriated for legal services in FY 1988 and recommends the same amount for FY 1989.

2. Add \$13,340 from the State General Fund for travel and subsistence in the Agricultural Marketing Promotion and Development program. The Subcommittee recommends a total of \$100,000 for travel compared to the Governor's recommendation of \$121,712 and the House's recommendation of \$86,660.
3. Add \$39,406 from the State General Fund and 1.0 FTE Ecological Specialist to the Noxious Weeds program. The Subcommittee's recommendation, which is in addition to the position added by the House, would fund a total of 4.0 FTE positions for this program (including three Ecological Specialists and one clerical position).
4. Add \$21,991 from the State General Fund for capital improvement projects at the agricultural laboratory as recommended by the Joint Committee on State Building Construction. The recommendation includes \$5,633 to replace a vacuum pump, \$16,172 to replace an air compressor, and \$186 to replace electrical circuits.

2733-046/SR

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	1,130,842	1,055,699	(7,000)
Total	\$ 1,401,628	\$ 1,326,485	\$ (7,000)
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.

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.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 270,786	\$ --
Special Revenue Fund	<u>(7,000)</u>	<u>1,048,699</u>	<u>--</u>
TOTAL	<u>\$ (7,000)</u>	<u>\$ 1,319,485</u>	<u>\$ --</u>
FTE Positions	--	40.0	--

Senate Subcommittee Recommendation

The Subcommittee concurs with the House's recommendation.

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	992,557	1,111,493	--
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

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.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 250,000	\$ --
Special Revenue Funds	--	<u>1,111,493</u>	--
TOTAL	<u>\$ --</u>	<u>\$ 1,361,493</u>	<u>\$ --</u>
FTE Positions	--	36.0	--

Senate Subcommittee Recommendation

The Subcommittee concurs with the House's recommendation.

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

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>

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House's recommendations for both FY 1988 and FY 1989.

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	1,291,934	190,934	--
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:

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	195,429	175,021
Nonexpense Items	<u>9,091</u>	<u>10,225</u>
Ending Balance	<u>\$ 32,730</u>	<u>\$ 28,209</u>

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 88</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 8,425	\$ 2,346,269	\$ --
Capital Improvements	--	190,934	--
TOTAL	<u>\$ 8,425</u>	<u>\$ 2,537,203</u>	<u>\$ --</u>
State General Fund:			
Capital Improvements	\$ --	\$ 190,934	\$ --
FTE Positions	--	16.0	--

Senate Subcommittee Recommendation

The Subcommittee concurs with the House's recommendation.

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	\$ 8,017
Capital Improvements	<u>1,672,000</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 4,187,684</u>	<u>\$ 2,463,425</u>	<u>\$ 8,017</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>

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 8,017	\$ 2,471,442	\$ --
Capital Improvements	--	--	--
TOTAL	<u>\$ 8,017</u>	<u>\$ 2,471,442</u>	<u>\$ --</u>
State General Fund:			
Capital Improvements	\$ --	\$ --	\$ --
FTE Positions	--	16.0	--

Senate Subcommittee Recommendation

The Subcommittee concurs with the House's recommendation with the following observation:

1. The Subcommittee reviewed the Fair's requests for capital improvement expenditures, which include \$200,000 for special maintenance projects and \$1,472,000 to renovate the 4-H Encampment Building (both in FY 1989), and \$1,101,000 in FY 1988 to complete the renovation of the grandstand. The Subcommittee recommends that a decision be made in the omnibus bill pending the final recommendation of the Joint Committee on State Building Construction.

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 Associated, 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 that 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 decrease 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 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 expend its contractual research projects.

The fee fund analysis, based upon the House Subcommittee's recommendations, 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>

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House's recommendation with the following observation:

1. The Subcommittee notes that upon passage of a mill levy increase for the Wheat Commission (S.B. 448), the agency will return to the Legislature to request an expenditure limitation increase of approximately \$600,000 based upon a 7-mill levy. The Subcommittee has addressed declining Wheat Commission receipts and ending balances for a number of years and is concerned with the agency's intent to greatly increase expenditures immediately upon passage of a mill levy increase. During consideration of the Omnibus Bill, the Subcommittee encourages the Committee to be mindful of past spending practices of the Commission, and to carefully consider the disbursement of additional mill levy receipts.

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	<u>2,785,600</u>	<u>--</u>	<u>900,000</u>
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	<u>7,000,000</u>	<u>1,590,000</u>	<u>(230,000)</u>
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.

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.

House Committee Recommendation

The House Committee struck item 4 of the Subcommittee's report pertaining to the Black Vermillion project, and otherwise approved the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House Committee of the Whole substituted \$1,157,482 of State General Fund financing for the EDIF financing of the High Priority Water Resources Cost-Share program.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
Administration	\$ 21,057	\$ 262,917	\$ 5,131
Aid to Conservation Districts	--	765,571	--
Watershed Dam Con- struction	--	770,000	--
Multipurpose Small Lakes	--	1,157,482	--
Water Resources Cost Share	--	1,360,000	--
High Priority Cost Share	927,481	1,157,482	--
TOTAL	<u>\$ 948,538</u>	<u>\$ 5,473,452</u>	<u>\$ 5,131</u>
State General Fund:			
Administration	\$ 21,056	\$ 262,917	\$ 5,131
Aid to Local Units	--	1,535,571	--
Other Assistance	927,482	2,517,482	--
TOTAL	<u>\$ 948,538</u>	<u>\$ 4,315,970</u>	<u>\$ 5,131</u>
FTE Positions	1.0	8.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendations with the following exception:

1. Add \$5,131 for a computer (\$2,562) and additional office space (\$2,569) for the additional secretarial position added by the House. In providing the House Subcommittee with the fiscal note for this position, the agency omitted the equipment and understated its office space needs.

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>	<u>--</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.

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.

House Committee Recommendation

The House Committee concurred with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

Concurred with the House Committee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendations with the following change:

1. Add a proviso to the line item appropriation of the State Conservation Storage Water Supply Fund that authorizes the Director of the Water Office to credit the transfers made from this fund by Section 7 to the amount owed the State General Fund for prior purchases of water storage.