

Approved: 3/23/95
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p. m. on March 16, 1995 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Don Cawby, Legislative Research Department
Tim Colton, Legislative Research Department
Julian Eford, Legislative Research Department
Eric Milstead, Legislative Research Department
Paul West, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Kelly Jennings, Kansas Association of Public Employees (KAPE)
Brad Avery, State Employees Association of Kansas (SEAK)
Chris McKenzie, League of Kansas Municipalities
Ernie Mosher, City of Topeka
Meredith Williams, Executive Secretary, KPERS

Others attending: See attached list

Subcommittee reports were presented for agricultural and natural resources agencies covered under **SB 153** and the FY 95 supplemental **SB 236**.

SB 153 - Appropriations for FY 96, agricultural and natural resources agencies.
SB 236 - Appropriations for FY 95, supplemental for various state agencies.

Representative Kejr presented the subcommittee reports for FY 95 and FY 96 for the Kansas Wheat Commission and the Grain Inspection Department (Attachment 1).

Representative Kejr presented the subcommittee reports for FY 95 and FY 96 for the State Board of Agriculture and the Kansas State Fair (Attachment 2).

Information was distributed regarding the costs of legal and mediation services for the Farmers' Assistance, Counselling and Training Service (FACTS) program. (Attachment 3).

Representative Kejr presented the subcommittee reports for FY 95 and FY 96 for the Kansas Animal Health Department, the State Conservation Commission, and the Kansas Water Office (Attachment 4).

A motion was made by Representative Kejr, seconded by Representative Bradley, to adopt the subcommittee reports for the agricultural and natural resources agencies covered under SB 153 and SB 236. The motion carried.

Staff distributed information on the status of the Economic Development Initiatives Fund (EDIF) (Attachment 5).

A motion was made by Representative Helgerson, seconded by Representative Kejr, to attach to the previously adopted subcommittee reports for the State Board of Agriculture the sheet of information (Attachment 3) regarding the costs of legal and mediation services for the FACTS program. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on March 16, 1995.

A motion was made by Representative Goossen, seconded by Representative Hochhauser, to note in the previously adopted subcommittee report with regard to the shift of FACTS activities to the Extension Service budget at Kansas State University, that this was an agreement worked out between the secretary of agriculture and the college of agriculture at Kansas State University. The motion carried.

A motion was made by Representative Kejr, seconded by Representative Bradley, to pass SB 153. The motion carried.

Chairperson Jennison opened the hearing on HB 2569.

HB 2569 - KPERS, state of Kansas, retirement plan and benefits (early buy-out).

Kelly Jennings, Kansas Association of Public Employees, testified KAPE supports HB 2569. She also said KAPE urges careful consideration of how agencies and services may be detrimentally affected by this bill if large concentrations of employees choose to retire (Attachment 6).

Brad Avery, State Employees Association of Kansas, testified members of SEAK support this measure (HB 2569) because it would provide an unparalleled opportunity for approximately 8,500 state employees to end their employment relationship with the State of Kansas on exceptionally favorable terms. Mr. Avery also said this legislation raises but does not confront some difficult questions (Attachment 7).

Chris McKenzie, League of Kansas Municipalities, testified on HB 2569 and the League suggests that cities and other local units may wish to opt into such a system as provided in HB 2568 (Attachment 8).

HB 2568 - KPERS, local employers, retirement plan and benefits.

Ernie Mosher, City of Topeka, said he was requested by Topeka Mayor Felker to inform the Committee the Mayor supports HB 2568, the KPERS bill for local employees.

Chairperson Jennison closed the public hearing on HB 2569.

The Chair requested Meredith Williams, Executive Secretary, KPERS, to present information on HB 2569.

Mr. Williams briefly reviewed HB 2569 and an analysis of the early retirement window using 65 point eligibility (Attachment 9).

Mr. Williams also distributed an analysis of the early retirement window which used a 75 point eligibility (Attachment 10).

The meeting adjourned at 3:40 p.m.

The next meeting is scheduled for March 17, 1995.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/16/95

NAME	REPRESENTING
Jack Hawk	KPERS
Meredith Williams	"
David B. Dallas	DOB
Nicole Cheyney	Intern
Brenda Wey	S.E.A.K.
Ben Scheibner	KGID
Tom Wilson	H. M. Simpson
Ruth Scott	Ks. Grain Inspection
Gary M. Bothwell	- - -
Roger Fraude	FFO
Whitney Damon	Pete McMill & Associates
Gerry Ray	City of Oakland Park - Johnson Co Commission
Mark Farrar	City of Oakland Park
Sabrina Wells	Division of Budget.
Steve Hurst	KWO
Jerry Wedel	KWO
Kate Warner	St. Conservation Comm.
Tracy Stuter	St. Cons. Comm.
Joe Judy	KDOC

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 03/16/95

NAME	REPRESENTING
<i>Al Thompson</i>	<i>Self</i>
KEVIN T. STAMPER	SEN. JERRY MORAN
<i>Judy Rickerson</i>	KDOR
<i>Jack Kopp</i>	DOA - DPS
<i>TK Shively</i>	KS LEGAL SERVICES
<i>Wayna White</i>	KS Legal Services
<i>Kelly Jennings</i>	KAPF
Jimmie Clover Adams	KS Grain and Feed Assn
<i>Genie Mosher</i>	<i>City of Topeka</i>
<i>Paul Shelby</i>	<i>OJA</i>
DON JACKA	DEPT OF AGRICULTURE
<i>Dorothy Barnes</i>	<i>Dept of Agriculture</i>
<i>Judy Kaine</i>	KDEI
<i>Maureen Bayard</i>	SR S
<i>Dolores Gonzales</i>	KCC
<i>Margaret Aen</i>	KCC
LARRY MOBLE	K.H.P
Don Pesmark	KHP

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/16/95

NAME	REPRESENTING
Artun Holmes	Division of Budget
Juni-Jean	ESU
Randy Scott	KAVA
Mike Beam	Ks. Luth. Am.
George Teagarden	K A H D

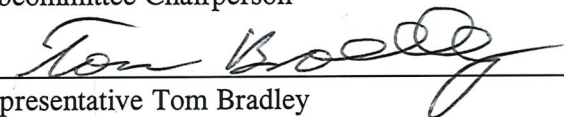
1995 House Subcommittee on:

Kansas Wheat Commission

Grain Inspection Department



Representative Joseph Kejr
Subcommittee Chairperson



Representative Tom Bradley



Representative Richard Edlund

3/16/95
Appropriations Cmte
Attachment 1

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission

Bill No. --

Bill Sec. --

Analyst: Cawby

Analysis Pg. No. 741

Budget Page No. 547

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,412,093	\$ 2,410,548	\$ 0
FTE Positions	8.0	8.0	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>--</u>

Agency Estimate/Governor's Recommendation

The Commission estimates FY 1995 expenditures of \$2,412,093, as approved by the 1994 Legislature and adjusted by Finance Council action. The Governor recommends expenditures of \$2,410,548 for FY 1995, \$1,545 less than the agency estimate, to provide for health insurance rate adjustments.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

The Commission's estimated performance levels at the recommended expenditure level for FY 1995 and the status of the fee fund, based on the recommendation of the Senate Subcommittee are shown below.

Performance Indicators		
	<u>Actual FY 94</u>	<u>Estimated FY 95</u>
Number of Wheat Trade Missions	21	18
Number of Flour Mill/Marketing Courses	10	8
Research Contracts	19	15
Number of Wheat Spokesperson	6	8

Resource Estimate	Actual FY 94	Estimate FY 95
Beginning Balance	\$ 1,133,230	\$ 981,462
Projected Receipts	2,167,252	2,345,840
Total Available	\$ 3,300,482	\$ 3,327,302
Less: Expenditures	2,319,020	2,410,548
Ending Balance	<u>\$ 981,462</u>	<u>\$ 916,754</u>
 Ending Balance as a Percentage of Expenditures	 42.3%	 38.0%

(Staff Note: The Commission retains an emergency fund of \$550,000 which is not reflected in the fee fund analysis above. The 1991 and 1992 Legislatures transferred a total of \$550,000 from the Wheat Commission Fee Fund to the Commission's emergency fund to assure funds would be available to maintain agency operations in the event of a disaster which might cause a very poor Kansas wheat harvest. The 1994 Legislature set an FY 1995 expenditure limit of \$0.)

Senate Committee Recommendation

The Senate Subcommittee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Committee.

Expenditure Summary	Senate Adj. FY 95	Senate Rec. FY 95	House Subc. Adj.
State Operations:			
Special Revenue Fund	\$ 0	\$ 2,410,548	\$ 0
FTE Positions	--	8.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Senate.

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission

Bill No. 153

Bill Sec. 6

Analyst: Cawby

Analysis Pg. No. 741

Budget Page No. 547

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,250,000	\$ 2,228,935	\$ (9,101)
FTE Positions	8.0	8.0	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>--</u>

Agency Request/Governor's Recommendation

The Commission requests a total of \$2,250,000 for FY 1996, a net decrease of \$162,093 (6.7%) from the revised FY 1995 estimate. The Commission request includes decreases of \$193,185 in contractual services and \$7,900 in commodities, and increases of \$26,992 in salaries and wages and \$12,000 in capital outlay over the current year estimate.

The Governor recommends FY 1996 expenditures of \$2,228,935, a reduction of \$21,065 (all in salaries and wages) from the agency request. The Governor does not recommend the requested funding for salary increases for the administrator and assistant administrator or temporary employment to assist the accountant. The Governor's recommendation of \$352,895 for salaries and wages includes longevity, an unclassified merit pool of 3.5 percent, a classified base salary increase of 1.0 percent and downward health insurance rate adjustments. The Governor concurs with the Commission requests for research and marketing contracts (\$1,514,440), other contractual services (\$304,000), commodities (\$37,600) and capital outlay (\$20,000).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. Delete \$9,101 based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$3,844); classified step movement \$(0); a one percent base adjustment for classified employees (\$1,912); and the longevity bonus (\$3,345) from individual agency budgets. (Staff Note: The agency's request did not include funding for step movement and the Governor made no adjustment in the recommendation to include step movement.)

The Board's estimated performance levels at the recommended expenditure level for FY 1996 and the status of the Wheat Commission fee fund, based on the recommendation of the Senate Subcommittee are shown below.

Performance Indicators			
	Actual FY 94	Estimated FY 95	Estimated FY 96
Number of Wheat Trade Missions	21	18	18
Number of Flour Mill/Marketing Courses	10	8	8
Research Contracts	19	15	12
Number of Wheat Spokesperson	6	8	10

<u>Resource Estimate</u>	<u>Actual FY 94</u>	<u>Estimated FY 95</u>	<u>Estimated FY 96</u>
Beginning Balance	\$ 1,133,230	\$ 981,462	\$ 916,764
Projected Receipts	<u>2,167,252</u>	<u>2,345,840</u>	<u>2,255,000</u>
Total Available	\$ 3,300,482	\$ 3,327,302	\$ 3,171,754
Less: Expenditures	<u>2,319,020</u>	<u>2,410,548</u>	<u>2,219,834</u>
Ending Balance	<u><u>\$ 981,462</u></u>	<u><u>\$ 916,754</u></u>	<u><u>\$ 951,920</u></u>
 Ending Balance as a Percentage of Expenditures	 42.3%	 38.0%	 42.9%

The Subcommittee concurs with the Governor's recommendation of a \$0 expenditure limit for the emergency fund. (**Staff Note:** The Commission retains an emergency fund of \$550,000 which is not reflected in the fee fund analysis above. The 1991 and 1992 Legislatures transferred a total of \$550,000 from the Wheat Commission Fee Fund to the Commission's emergency fund to assure funds would be available to maintain agency operations in the event of a disaster which might cause a very poor Kansas wheat harvest. The 1994 Legislature set an FY 1995 expenditure limit of \$0.)

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Committee.

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<u>Expenditure Summary</u>	<u>Senate Adj. FY 96</u>	<u>Senate Rec. FY 96</u>	<u>House Subc. Adjustments</u>
State Operations:			
Special Revenue Fund	\$ (9,101)	\$ 2,219,834	\$ 10,000
FTE Positions	--	8.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate recommendations with the following adjustments and recommendations:

1. Add \$10,000 to the Wheat Commission Fee Fund expenditure limit for other research contracts.
2. The Subcommittee recommends that the Commission prepare a position paper on the world-wide outlook of wheat production and commodities for the next ten years and present it to the appropriate House and Senate subcommittees during the 1996 Legislative Session.
3. The Subcommittee recommends that the Commission include the following three items as performance/output measures: profits from white wheat, profits from new wheat varieties developed, and new products developed from wheat through the Commission's efforts.
4. The Subcommittee recommends that the agency prepare long-term projections on the Commission's mill levy requirement and present it to the appropriate House and Senate Subcommittee during the 1996 Legislature.

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SUBCOMMITTEE REPORT

Agency: Grain Inspection Department

Bill No. --

Bill Sec. --

Analyst: Cawby

Analysis Pg. No. 728

Budget Page No. 207

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 5,444,067	\$ 5,349,822	\$ 0
State General Fund	131,787	131,787	0
TOTAL	<u><u>\$ 5,575,854</u></u>	<u><u>\$ 5,481,609</u></u>	<u><u>\$ 0</u></u>
FTE Positions	135.0	135.0	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u><u>135.0</u></u>	<u><u>135.0</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

The Grain Inspection Department estimates FY 1995 expenditures of \$5,575,854 (excluding federal fees remitted), \$13,611 (0.2 percent) less than the amount approved by the 1994 Legislature, \$5,589,465. The estimate includes funding of \$5,444,067 from the Grain Inspection Fee Fund and \$131,787 from the State General Fund.

The Governor recommends FY 1995 expenditures of \$5,481,609 (excluding federal fees remitted) \$94,245 less than the agency request. The Governor recommends funding of \$5,349,822 from the Grain Inspection Fee Fund and \$131,787 from the State General Fund. The recommended reductions are for the following: increased shrinkage rates (\$56,878), fringe benefit adjustments (\$1,428), health insurance rate adjustments (\$18,545), and additional funds requested for a software upgrade (\$15,000).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

The Department's estimated performance levels at the recommended expenditure level for FY 1995 and the status of the fee fund, based on the recommendation of the Senate Subcommittee are shown below.

Performance Indicators		
	<u>Actual FY 1994</u>	<u>Agency Estimate FY 1995</u>
Inspection Program:		
Average Daily Inspections	1,098	1,129
Percentage of inspections & weights accomplished in allotted time	100%	100%
FGIS Compliance Rate	95%	100%
Warehouse Program:		
Exams per Warehouse in one year	1.3	1.5
Number of Warehouses Audited	444	484
Number of Bankruptcies	1	0
Percent of Loss to Depositors	.005%	0%

<u>Resource Estimate</u>	<u>Actual FY 94</u>	<u>Estimate FY 95</u>
Beginning Balance	\$ 988,078	\$ 1,229,167
Projected Receipts	<u>5,231,979</u>	<u>5,456,185</u>
Total Available	\$ 6,220,057	\$ 6,685,352
Less: Expenditures	4,794,488	5,349,822
Federal Fees Remitted	<u>196,402</u>	<u>210,000</u>
Ending Balance	<u>\$ 1,229,167</u>	<u>\$ 1,125,530</u>
Ending Balance as a Percentage of Expenditures	25.6%	21.0%

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Committee.

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<u>Expenditure Summary</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Subc. Adj.</u>
State Operations:			
Special Revenue Fund	\$ 0	\$ 5,349,822	\$ 0
State General Fund	0	131,787	0
TOTAL	<u>\$ 0</u>	<u>\$ 5,481,609</u>	<u>\$ 0</u>
FTE Positions	--	135.0	--
Special Project Appointments	<u>--</u>	<u>0.0</u>	<u>--</u>
TOTAL	<u><u>--</u></u>	<u><u>135.0</u></u>	<u><u>--</u></u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Senate.

SUBCOMMITTEE REPORT

Agency: Grain Inspection Department

Bill No. 153

Bill Sec. 4

Analyst: Cawby

Analysis Pg. No. 728

Budget Page No. 207

<u>Expenditure Summary</u>	<u>Agency Estimate FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 5,544,837	\$ 5,540,804	\$ (160,938)
State General Fund	131,099	131,099	(36,024)
TOTAL	<u><u>\$ 5,675,936</u></u>	<u><u>\$ 5,671,903</u></u>	<u><u>\$ (196,962)</u></u>
FTE Positions	135.0	135.0	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u><u>135.0</u></u>	<u><u>135.0</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

For FY 1996, the agency requests \$5,675,936 (excluding federal fees remitted), an increase of \$100,082 (1.8 percent) from its revised FY 1995 estimate. The agency is requesting \$5,544,837 from the Grain Inspection Fee Fund and \$131,099 from the State General Fund. This State General Fund request would supplement a projected fee shortfall in the warehouse program.

The Governor recommends FY 1996 expenditures of \$5,671,903 (excluding federal fees remitted), a reduction of \$4,033 from the agency's request. The recommendation includes \$5,540,804 from the Grain Inspection Fee Fund and \$131,099 from the State General Fund. The recommendation provides for a reduction of travel by \$16,761 and increases salaries and wages by \$12,728 to provide for a 3.5 percent unclassified merit pool, a 1.0 base salary increase for classified salaries, and adjustments for health insurance rates.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments and observations:

1. Delete \$165,863, with \$4,925 from the State General Fund and \$160,938 from the Grain Inspection Fee Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$1,664); classified step movement \$(62,548); a one percent base adjustment for classified employees (\$35,133); and the longevity bonus (\$1,275) from individual agency budgets.
2. The Senate Subcommittee notes:

- The Warehouse Division of the Grain Inspection Department was established in 1907 to protect producers who have deposited grain in public warehouses. The Division regulates all public grain warehouses operating under the Kansas Public Warehouse Act, and requires all public warehouses to be licensed annually. The Grain Inspection Department has a cooperative agreement with the federal government to examine warehouses for the Agricultural Stabilization Conservation Service, a Division of the U.S. Department of Agriculture (USDA).
- Effective July 1, 1994, section 7(f)(1)(A)(vi) of the U.S. Grain Standards Act eliminates the authority for designated states to use monies collected from official inspection and weighing services of grain for the maintenance of other agricultural programs. For FY 1995, the 1994 Legislature approved \$131,787 from the State General Fund to supplement the projected fee shortfall. However, the 1994 Senate Subcommittee "strongly" recommended that the State General Fund support recommended for FY 1995 "be considered one-time assistance only . . ." and that ". . . it does not support perpetual State General Fund financing for the operation of the warehouse program."
- The Department indicated to the Subcommittee that its is exploring options to reduce its reliance on the State General Fund. One option presented to Subcommittee was to allow warehouses to be licensed by the federal government, with the Department providing warehouse audits on a contractual basis. The Department indicated that they would be discussing the feasibility of this option with USDA in the near future.

The Department also stated that a federal fee increase for warehouse licenses took effect in October 1994. The Department believes that some federally licensed warehouses will seek state licensure as a result of the federal fee increase. The possibility of supplemental budget adjustments for FY 1996 during the next legislative session may be necessary if a significant number of warehouses change their licensure to the state program.

3. Delete \$31,099 from the State General Fund appropriation to reduce the Departments reliance on the State General Fund for subsidization of the Warehouse Program. The Subcommittee notes this is the second consecutive year the Department has received this appropriation and it is the Subcommittee's desire for this to be the final year of subsidization.

The Board's estimated performance levels at the recommended expenditure level for FY 1996 and the status of the fee fund, based on the recommendation of the Senate Subcommittee are shown below.

Performance Indicators			
	<u>Actual FY 1994</u>	<u>Estimated FY 1995</u>	<u>Estimated FY 1996</u>
Inspection Program:			
Average Daily Inspections	1,098	1,129	1,185
Percentage of inspections & weights accomplished in allotted time	100%	100%	100%
FGIS Compliance Rate	95%	100%	100%
Warehouse Program:			
Exams per Warehouse in one year	1.3	1.5	2.0
Number of Warehouses Audited	444	484	646
Number of Bankruptcies	1	0	0
Percent of Loss to Depositors	.005%	0%	0%

<u>Resource Estimate</u>	<u>Actual FY 94</u>	<u>Estimated FY 95</u>	<u>Estimated FY 96</u>
Beginning Balance	\$ 988,078	\$ 1,229,167	\$ 1,125,530
Projected Receipts	<u>5,231,979</u>	<u>5,456,185</u>	<u>5,597,467</u>
Total Available	\$ 6,220,057	\$ 6,685,352	\$ 6,722,997
Less: Expenditures	4,794,488	5,349,822	5,379,866
Federal Fees Remitted	<u>196,402</u>	<u>210,000</u>	<u>210,000</u>
Ending Balance	<u>\$ 1,229,167</u>	<u>\$ 1,125,530</u>	<u>\$ 1,133,131</u>
 Ending Balance as a Percentage of Expenditures	 25.6%	 21.0%	 21.1%

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee concurs with the recommendations of the Committee.

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<u>Expenditure Summary</u>	<u>Senate Adj. FY 96</u>	<u>Senate Rec. FY 96</u>	<u>House Subc. Adj.</u>
State Operations:			
Special Revenue Fund	\$ (160,938)	\$ 5,379,866	\$ 0
State General Fund	(36,024)	95,075	(5,075)
TOTAL	<u>\$ (196,962)</u>	<u>\$ 5,474,941</u>	<u>\$ (5,075)</u>
FTE Positions	--	135.0	--
Special Project Appointments	--	0.0	--
TOTAL	<u>--</u>	<u>135.0</u>	<u>--</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate recommendations with the following adjustment, observations, and recommendations:

1. Delete \$5,075 in State General Fund financing from the agency budget to further reduce the agency's reliance on State General Funds in the Warehouse Examination Program.
2. The House Subcommittee notes the desire of the Senate Subcommittee for FY 1996 to be the final year of subsidization for the Grain Inspection Department. The House Subcommittee recommends that the agency return to the House and Senate subcommittees during the 1996 Legislative Session, with a recommendation to delete the Warehouse program or a recommendation on how to appropriately fund the program.

The House Subcommittee also notes that grain elevators are continuing to consolidate and seek federal licenses, resulting in a reduction of fee revenue to the state. The Subcommittee recommends that the agency investigate the options available to encourage warehouses to remain licensed under the state program.

Subcommittee Report 1995 Senate Bill 153

§2

Kansas State Board of
Agriculture

§5

Kansas State Fair



Representative Joe Kejr, Chairman



Representative Tom Bradley



Representative Richard Edlund

3/16/95
Appropriations Cmte
Attachment 2

SUBCOMMITTEE REPORT

Agency: State Board of Agriculture

Bill No. --

Bill Sec. --

Analyst: Colton

Analysis Pg. No. 697

Budget Page No. 57

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
All Funds			
State Operations	\$ 20,511,611	\$ 20,702,877	\$ 0
Aid to Local Units	120,000	120,000	0
Other Assistance	850	850	0
Subtotal	<u>\$ 20,632,461</u>	<u>\$ 20,823,727</u>	<u>\$ 0</u>
Capital Improvements	43,091	45,000	0
TOTAL	<u><u>\$ 20,675,552</u></u>	<u><u>\$ 20,868,727</u></u>	<u><u>\$ 0</u></u>
State General Fund			
State Operations	\$ 9,388,991	\$ 9,351,486	\$ 0
Aid to Local Units	40,000	40,000	0
Other Assistance	0	0	0
Subtotal	<u>\$ 9,428,991</u>	<u>\$ 9,391,486</u>	<u>\$ 0</u>
Capital Improvements	43,091	0	0
TOTAL	<u><u>\$ 9,472,082</u></u>	<u><u>\$ 9,391,486</u></u>	<u><u>\$ 0</u></u>
FTE Positions	327.5	327.5	--

Agency Estimate/Governor's Recommendation

The agency requests \$20,632,461 for current year operating expenditures. Included in this amount is \$40,000 from the State General Fund for a feasibility study concerning the minimization of damages by floods in Crawford County. The Governor recommends FY 1995 funding for operating expenditures of \$20,823,727. This is higher than the amount estimated by the agency because of the addition of two federal grants. The first grant was released to the agency per Executive Directive. It is a Rural Works supplemental grant for the FACTS program, for the provision of reeducation and retraining to dislocated ranchers, farmers and their families. The second grant is from the Pesticide Use and Worker Protection (federal) Fund for pesticide safety training.

I. FY 1995 Supplemental Appropriation Request. The agency requests \$43,091 from the State General Fund for the replacement of an air conditioner in that section of the agency's laboratory that services the dairy and pesticide sections. The air conditioner ceased to function in July of 1994. The agency was compelled to replace the air conditioner, because high temperatures would have compromised the quality of test samples, particularly for the determination of bacteria counts in dairy products. The agency used operating funds to replace the air conditioner, and appeals now for a supplemental appropriation to replace the moneys expended on the air conditioner. The Governor did not recommend the requested supplemental appropriation. (Staff Note: The Joint Committee on State Building Construction has recommended funding

for the air conditioner replacement from the State Budget Stabilization Fund, provided such funding is available.)

Senate Subcommittee Recommendation

The Senate Subcommittee concurs.

Senate Committee Recommendation

Concur, except:

1. Add \$43,091 from the State Budget Stabilization Fund for replacement of the air conditioner mentioned in the FY 1995 summary above.

House Subcommittee Recommendation

Concur.

SUBCOMMITTEE REPORT

Agency: State Board of Agriculture

Bill No. 153

Bill Sec. 2

Analyst: Colton

Analysis Pg. No. 697

Budget Page No. 57

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
All Funds			
State Operations	\$ 21,981,293	\$ 20,023,185	\$ (483,809)
Aid to Local Units	180,000	80,000	0
Other Assistance	850	850	0
Subtotal	<u>22,162,143</u>	<u>20,104,035</u>	<u>\$ (483,809)</u>
Capital Improvements	96,500	0	0
TOTAL	<u>\$ 22,258,643</u>	<u>\$ 20,104,035</u>	<u>\$ (483,809)</u>
State General Fund			
State Operations	11,273,725	9,460,466	\$ (299,351)
Aid to Local Units	100,000	0	0
Other Assistance	0	0	0
Subtotal	<u>11,373,725</u>	<u>9,460,466</u>	<u>\$ (299,351)</u>
Capital Improvements	96,500	0	0
TOTAL	<u>\$ 11,470,225</u>	<u>\$ 9,460,466</u>	<u>\$ (299,351)</u>
FTE Positions	345.8	321.5	--

Agency Request/Governor's Recommendation

The agency requests FY 1996 operating expenditures of \$22,162,143. This is an increase of 6.4 percent over the FY 1995 revised estimate. The requested funding would allow the addition of 18.0 FTE positions, and provide for enhancements in operating funds, particularly for travel for regulatory and training purposes, and for a large-scale replacement of computer equipment throughout the agency.

The Governor recommends funding of \$20,104,035 for FY 1996 operating expenditures, which is a reduction of \$2,058,108 from the agency request, and a decrease of \$719,692 from the amount requested by the agency. The Governor abolishes 6.0 FTE positions at the agency, and provides neither the enhanced operating moneys requested by the agency, nor funding for the replacement of computers.

Senate Subcommittee Recommendation

Concur, with the following exceptions and comments:

1. Put funding for the Governor's salary plan (\$483,809 all funds, \$299,351 State General Fund) into another bill.
2. The Subcommittee calls the Committee's attention to the fact that the Governor, in his FY 1996 recommendations, has eliminated an Engineering Associate I position in the Water Structures program of the Division of Water Resources. The person filling the position is responsible for reviewing water structure applications in southeastern Kansas (based out of Chanute). The Governor also reduced funding for temporary help in this program to about two-thirds the FY 1995 level.

The Subcommittee notes further that significant progress has been made in reducing the backlog in water rights applications, thanks to the action taken by the 1994 Legislature. According to the agency, the backlog of water rights applications, once at about 14 months, has been reduced to about six months, and the downward trend is continuing.

While the Subcommittee concurs with the Governor in the elimination of the Water Structures position, it is concerned about the possibility that now, when the backlog of water rights applications is being reduced, a backlog of water structures applications will develop. The Subcommittee believes that the Legislature should monitor this situation closely, and has asked the Board to keep the Legislature apprised in this regard.

3. The Subcommittee notes that in 1993, a Waste Pesticide Pilot Program was made possible through a grant of \$80,000 from the Environmental Protection Agency. The program, which was carried out in Riley, Marshall, Morris and Pottawatomie counties, was a success. 17,766 pounds of waste pesticide were collected and properly disposed of, at a cost of about \$4.00 a pound. (This compares very favorably to the cost-per-pound collection and disposal rates of other states where pilot projects were carried out.) In only the four pilot counties, 210 pounds of DDT were collected--a chemical that was banned 20 years ago!

The Board applied for further federal funding for this project for FY 1995 and FY 1996, but is under the impression that federal funding will not be forthcoming. To supplant (or, if a grant were to be received, to supplement) federal funding, the agency requested \$100,000 from the State General Fund to carry out another Waste Pesticide Disposal Program. The Governor did not recommend funding for this program.

While the Subcommittee supports the Governor's recommendation, it believes that this program has important ramifications for the protection of public health and the environment. The Subcommittee believes that the Legislature should examine this program again in future sessions, and, if the state's budgetary circumstances permit, provide funding for it.

4. The Subcommittee calls the Committee's attention to the fact that the fund balance in the Laboratory Equipment Fee Fund, created by the 1994 Legislature, was

approximately \$30,700 as of 1 February 1995. The Board is currently monitoring fund revenues, to determine at what point in time payments to the Kansas Development Finance Authority (for financing of debt for equipment purchases) might be made so as to coincide with receipts to the fund. This matter is somewhat complex, since some receipts to the fund arrive monthly, others quarterly, etc. The Board has committed itself to keeping the Legislature apprised of fund balances, and, eventually, of purchases made from the new fund.

5. Finally, the Subcommittee commends the agency for the progress that has been made in reducing the backlog in water rights applications. As was stated earlier, the backlog has been reduced from about 14 months to about six months, with the downward trend continuing. If current trends continue, and with funding recommended by the Governor, the agency expects to have the overall average processing time down to 90 days or less for change applications received in proper form by the end of FY 1996.

Senate Committee Recommendation

Concur.

Senate Committee of the Whole Recommendation (20 February 1995)

1. The Senate Committee of the Whole deleted \$660,533 from the State General Fund from the agency's operating expenditures line-item. This action was intended to remove funding for the Farmers' Assistance, Counselling and Training Service (FACTS) program.

Senate Committee of the Whole Recommendation (22 February 1995)

1. Because the FACTS program's financing from the State General Fund totalled only \$174,910, a previous Senate Committee of the Whole floor amendment, written without consultation from staff, erroneously removed \$485,623 in financing for other State Board of Agriculture programs. An amendment was offered to correct this error. The amendment was adopted.
2. An amendment was offered to restore funding for the FACTS program. The amendment was adopted.

Senate Action (23 February 1995)

A motion to reconsider was adopted to reconsider the Senate Committee of the Whole action from 22 February. S.B. 153 was withdrawn from final action and returned to general orders. It was then withdrawn from the calendar and rereferred to the Senate Committee on Ways and Means. A special subcommittee (Senators Morris (chairman), Lawrence, Petty, Praeger and Rock) was appointed by the Chairman of Ways and Means to hold hearings on the FACTS program, and to make a recommendation to the Senate about funding by the FACTS program.

Recommendation of the Special Senate Subcommittee

The Special Subcommittee recommends that funding for the FACTS program continue as in the Governor's recommendations. The Subcommittee believes that the FACTS program provides a valuable service to the State and the State's economy by helping existing businesses stay in business. By serving as a business retention program, the FACTS program helps the state to reduce expenditures, tax-base losses, and uncollected debt. It offers services to agribusinesses that are similar to the services provided to non-farm businesses by the Small Business Administration and the Kansas Department of Commerce and Housing.

If one looks only at the farmers who were assisted in keeping their farms by legal assistance from the FACTS program from 1986 to 1994 (about 680 farmers), and based upon an average of \$134,000 in annual cash operating expenses by farmers, the 680 farmers who have been helped to retain their farms by FACTS legal assistance will pump over \$91 million into the Kansas economy during 1995 alone.

The Subcommittee believes that the approximately \$175,000 that the State invests in the FACTS program are well spent. In FY 1994, the FACTS program provided assistance in 1179 new cases, as well as a significant number of cases that had been opened earlier. Every \$3 of state funding for FACTS leverages \$7 in federal financing that will permit the FACTS program to help small farm businesses stay in business, and their owners to remain taxpayers. The Subcommittee would dispute the notion that moneys expended for the FACTS program are "welfare for farmers." Rather the Subcommittee considers them to be an investment in the *empowerment* of Kansas small farm business owners, and an investment in the state's economic well-being.

House Subcommittee Recommendations

The House Subcommittee concurs with the Senate, with these exceptions:

1. Transfer the FACTS program to Kansas State University's Cooperative Extension Service. The new FACTS program will be a scaled-down version of the FACTS program, with in-kind services from KSU/CSE providing the match for federal mediation funds. KSU/CSE will perform educational services, such as financial management training, as well as family support, and providing training to community mental health centers about the specific problems of farm families. Legal and mediation services would continue to be contracted out.
2. Transfer \$131,233 in State General Fund financing, heretofore used for the FACTS program, to the Statistical Services and Support Program. The money will be used to offset a portion of the cost of use value data collection. The Statistical Services and Support Program has the expertise and the capability to provide data collection to be used as a tool in the use value appraisal process administered by the Department of Revenue. The Subcommittee feels that this is a critical need at this time.
3. Restore 1.0 FTE Agricultural Inspector II position in the Dairy Inspections sub-program of the Inspections Division. Because a number of large dairies are opening up in the state, particularly in the west, the Subcommittee is concerned that the agency might not be able to fulfill FDA requirements for dairy inspections if it loses

the FTE position. If the agency feels that filling the position is a priority, it can use dairy inspection fee moneys to do so, if such fee revenue is available. The Subcommittee's action is meant only to give the agency the flexibility to fill the position if doing so is necessary in order to maintain an adequate level of dairy inspections. The action restores only the position, and not the funding. If the agency wishes to fund the position, it will have to do so from increased fees.

4. The Subcommittee was requested to add \$25,000 in funding for the Ag in the Classroom programs to the Board of Agriculture's budget. Funding for the programma has been part of the Department of Education in the past. However, because of the controversies surrounding school finance, this programma had a relatively low priority in that agency's budget. The Subcommittee agrees that, if the program is financed through a state agency, the Board of Agriculture is probably the most appropriate place for it. Because of the time constraints of second-house review, the Subcommittee did not have time to examine the merits of the program, and so did not add the requested funding. The Subcommittee believes that the question of state funding for Ag in the Classroom should be looked at next year in first-house review, and, if appropriate, funding added in the Board of Agriculture's budget.
5. In the agency's Marketing Division, the agency requested the addition of 1.0 FTE Economic Development Representative II position to staff a hog-marketing reporting system that would replace the current contractual system now in place. The agency feels that an FTE position would better ensure the continuity of the program. The Subcommittee did not add the position, but recommends that the agency be allowed to use an existing FTE position for the Economic Development Representative if it feels that this is an agency priority.

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. --

Bill Sec. --

Analyst: Colton

Analysis Pg. No. 734

Budget Page No. 185

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 0	\$ 0	\$ 0
EDIF	114,000	114,000	0
Special Revenue Funds	<u>2,646,451</u>	<u>2,645,589</u>	<u>0</u>
Subtotal -- State Operations	\$ 2,760,451	\$ 2,759,589	\$ 0
Capital Improvements:			
State General Fund	\$ 1,929,657	\$ 1,929,657	\$ 0
Special Revenue Funds	<u>309,343</u>	<u>309,343</u>	<u>0</u>
Subtotal -- Capital Improv.	\$ 2,239,000	\$ 2,239,000	\$ 0
TOTAL	<u>\$ 4,999,451</u>	<u>\$ 4,998,589</u>	<u>\$ 0</u>
 FTE Position	 17.0	 17.0	 --

Agency Estimate/Governor's Recommendation

The agency's revised current year estimate for operating expenditures is \$2,760,451. This is a reduction of \$190,200 from the amount approved by the 1994 Legislature, as adjusted by the State Finance Council. The reduction is due mainly to a shortfall in grandstand receipts, due to the unavailability of top-name entertainers. The shortfall in receipts was countered with a reduction in expenditures. The FY 1995 operating budget estimate includes \$114,000 from the Economic Development Initiatives Fund, which is the approved amount. The Governor recommends FY 1995 operating expenditures of \$2,759,589. This is a reduction of \$862 from the agency's revised current year estimate. The reduction is due to a technical adjustment for salaries and wages. The Governor concurs with the agency's FY 1995 estimate for spending from the EDIF.

The State Fair estimates capital improvement expenditures of \$2,239,000. Of this, \$1,929,657 is from the State General Fund. \$145,657 of the money from the State General Fund is the state match to transfers made by the Fair from the State Fair Fee Fund and the Non-Fair-Days Activities Fee Fund to the State Fair Capital Improvements Fund (SFCIF); \$1,784,000 is for the remodeling of the 4-H Encampment Building. The Governor concurs with the agency estimate.

Senate Subcommittee Recommendation

Concur.

Senate Committee Recommendation

Concur.

House Subcommittee Recommendation

Concur.

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. 153

Bill Sec. 5

Analyst: Colton

Analysis Pg. No. 734

Budget Page No. 185

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 15,000	\$ 114,000	\$ 0
EDIF	200,000	0	0
Special Revenue Funds	<u>2,913,990</u>	<u>2,884,729</u>	<u>9,799</u>
Subtotal -- State Operations	<u>\$ 3,128,990</u>	<u>\$ 2,998,729</u>	<u>\$ 9,799</u>
Capital Improvements:			
State General Fund	\$ 226,550	\$ 112,100	\$ 20,000
Special Revenue Funds	<u>198,450</u>	<u>197,900</u>	<u>0</u>
Subtotal -- Capital Improv.	<u>\$ 425,000</u>	<u>\$ 310,000</u>	<u>\$ 20,000</u>
TOTAL	<u><u>\$ 3,553,990</u></u>	<u><u>\$ 3,308,729</u></u>	<u><u>\$ 29,799</u></u>
 FTE Positions	 17.0	 17.0	 --

Agency Request/Governor's Recommendation

The agency requests FY 1996 operating expenditures in the amount of \$3,128,990, \$15,000 of which is from the State General Fund (for children's programming). The FY 1996 request is a 13.4 percent increase over the revised current year estimate. The increase is due mainly to increased requested expenditures for fees--professional services (for grandstand entertainers). \$200,000 of the agency's requested operating funding is from the EDIF. The Governor recommends FY 1996 operating expenditures of \$2,998,729. This is a reduction of \$130,261 from the agency request, and is a result of the Governor's denial of an agency request for a 44-percent increase in fees for entertainers and advertising with respect to the current year (the Governor limited the agency to a 25-percent increase). The Governor recommends no EDIF funding. He continues funding that in FY 1995 came from the EDIF (\$114,000), but from the State General Fund. The Governor does not recommend the enhancement for children's programs. The Governor's budget reflects reduced health insurance rates for FY 1996, as well as funding for classified step movement, a 1-percent base salary adjustment for classified employees, and a 3.5-percent merit increase for unclassified employees.

The agency requests FY 1996 capital improvement expenditures of \$425,000. \$226,550 of this is from the State General Fund; \$131,550 of that amount is for the state match to the State Fair Capital Improvements Fund. The Governor recommends FY 1996 capital improvement expenditures of \$310,000. Of this, \$112,100 is for the State General Fund transfer to the SFCIF.

Senate Subcommittee Recommendation

The Senate Subcommittee makes the following adjustments:

2-11

1. Place funding from the Governor's salary plan (\$23,926 from special revenue funds) in another bill.
2. Add \$33,725 from the State Fair Fee Fund for fees for grandstand entertainers. The added funding will give the Fair the flexibility it requires in order to attract top-name entertainers for its grandstand shows.
3. Add \$20,000 from the State General Fund for the replacement of two fuel storage tanks. This will allow the agency to be in compliance with Environmental Protection Agency regulations. The EPA regulations require that new tanks, equipped with leak detection, spill and overflow protection and corrosion protection be installed to replace current tanks.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee, with the following adjustment:

1. The Fair had requested \$62,875 from the State Fair Capital Improvements Fund for the second phase of construction of a new horse stall barn. (The project is planned in four phases.) Total cost of the second phase of the project were projected at \$100,000; the remaining funding for the project was to have come from a Tourism Challenge Grant from the Kansas Department of Commerce and Housing. The Governor recommended the project, contingent upon receipt of the Tourism Challenge Grant. The Fair did not receive the grant.

The Committee recommends that the Fair use the \$62,875 from the State Fair Capital Improvements Fund, which it would have used for the horse stall barn, for the construction of an elevator in the Fair grandstand to provide persons with disabilities with access to the grandstand's second story. Installation of the elevator is necessary for the grandstand to be in compliance with the requirements of the Americans with Disabilities Act. Total costs for the project will be \$75,000. The remaining funding necessary to carry out the project (\$12,125) will also come from the State Fair Capital Improvements Fund. The Committee's recommendation will have the effect of lowering ending balances in this fund.

<u>Expenditure Summary</u>	<u>Senate Rec. FY 96</u>	<u>House Subc. Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 114,000	\$(114,000)	\$ 0
EDIF	0	114,000	114,000
Special Revenue Funds	<u>2,894,729</u>	<u>0</u>	<u>2,894,528</u>
Subtotal -- State Operations	\$ 3,008,729	\$ 0	\$ 3,008,528
Capital Improvements:			
State General Fund	\$ 132,100	\$ (7,875)	\$ 124,225
Special Revenue Funds	197,900	0	197,900
Subtotal -- Capital Improv.	<u>\$ 330,000</u>	<u>\$ (7,875)</u>	<u>\$ 322,125</u>
TOTAL	<u><u>\$ 3,338,729</u></u>	<u><u>\$ (7,875)</u></u>	<u><u>\$ 3,330,653</u></u>
 FTE Positions	 17.0	 --	 17.0

House Subcommittee Recommendation

Concur with the Senate, except:

1. Switch \$114,000 in funding from the State General Fund to the EDIF. The Subcommittee is of the opinion that the State General Fund should not be used to finance the State Fair. Ideally, the Fair should be completely self-supporting, and the Subcommittee desires that the agency work towards this goal.
2. Of the \$20,000 SGF added by the Senate for EPA compliance (petroleum tank removal and replacement), switch \$12,125 to the ADA compliance project (installation of an elevator at the Fair's grandstand) mentioned in item 1 of the Senate Committee recommendation. The agency indicated that the elevator installation was a higher priority for them, and that the EPA compliance project did not have to be completed until FY 1998. The remaining \$7,875 is deleted.

LEGAL/MEDIATION BUDGET
KANSAS LEGAL SERVICES, INC.

MEDIATION COORDINATION	\$ 14,117
LEGAL SERVICES	210,000
MEDIATION SERVICES	20,000
TOTAL KLS	\$ 244,117

COOPERATIVE EXTENSION SERVICES
KANSAS STATE UNIVERSITY

LEGAL INTAKE	\$ 51,576
FAMILY NEEDS SPECIALIST	35,000 ✓
ADMINISTRATIVE OFFICER	25,000 ✓
HOTLINE	9,500
OTHER CONTRACTUAL SERVICES	10,000
TOTAL CES/KSU	\$ 131,076

TOTAL PROGRAM COSTS \$ 375,193

To finance this proposed budget entirely with federal mediation funding (70 percent federal match), KSU must provide \$ 160,797 of in-kind services.

\$ 375,193	(70%)
<u>160,797</u>	(30%)
\$ 535,990	(x .30= \$160,797)

3/16/95
Appropriations Comte
Attachment 3

Subcommittee Report

Kansas Animal Health Department State Conservation Commission Kansas Water Office

1995 S.B. 153

Section 3

Section 7


Section 8



Representative Joe Kejr, Chairman



Representative Tom Bradley



Representative Richard Edlund

3/16/95
Appropriations Cmte
Attachment 4

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. 236

Bill Sec. 4

Analyst: Mills

Analysis Pg. No. 715

Budget Page No. 73

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 506,492	\$ 514,695	\$ 0
Special Revenue Fund	1,217,581	1,190,038	0
Other Assistance:			
State General Fund	0	0	0
Special Revenue Fund	150,000	50,000	0
TOTAL	<u><u>\$ 1,874,073</u></u>	<u><u>\$ 1,754,733</u></u>	<u><u>\$ 0</u></u>
FTE Positions	29.5	29.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u><u>29.5</u></u>	<u><u>29.5</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates current year expenditures of \$1,874,073, an increase of \$12,847 over the amount approved by the 1994 Legislature. The FY 1995 estimate includes a State General Fund supplemental request of \$134,737, which would be used for brucellosis eradication (\$100,000) and to reimburse the agency for overtime wage claims settled in the *Kinnett* case (\$34,737).

The Governor recommends a total of \$1,754,733 for FY 1995, a reduction of \$119,340 from the agency revised estimate. The Governor's recommendation for FY 1995 includes \$983,715 for salaries, \$721,018 for other operating expenditures, and \$50,000 for brucellosis eradication. The Governor does recommend \$10,000 of requested supplemental funding for brucellosis testing, and also recommends \$34,737 for payment of the wage claim from the class action lawsuit. The Governor supports the existing 29.5 FTE positions.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 1995.

Senate Committee Recommendation

Concur.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 0	\$ 514,695	\$ 0
Special Revenue Fund	0	1,190,038	0
Other Assistance:			
State General Fund	0	0	0
Special Revenue Fund	0	50,000	0
TOTAL	<u>\$ 0</u>	<u>\$ 1,754,733</u>	<u>\$ 0</u>
FTE Positions	0.0	29.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>29.5</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate recommendation.

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. 153

Bill Sec. 3

Analyst: Mills

Analysis Pg. No. 715

Budget Page No. 73

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 631,162	\$ 478,898	\$ 6,479
Special Revenue Fund	1,175,404	1,262,662	(26,936)
Other Assistance:			
State General Fund	150,000	0	0
Special Revenue Fund	0	0	0
TOTAL	\$ 1,956,566	\$ 1,741,560	\$ (20,457)
FTE Positions	29.5	29.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	29.5	29.5	0.0

Agency Request/Governor's Recommendation

The agency requests FY 1996 state operations of \$1,956,566 an increase of \$82,493 (4.4 percent) over the FY 1995 estimate. The majority of the increase, \$48,331, is for contractual services. The request would fund 29.5 FTE positions, the same number as the current year.

The Governor recommends \$1,741,560 for state operations in FY 1996, a reduction of \$65,006 from the agency request. The recommendation includes \$478,898 from the State General Fund and \$1,262,662 from special revenue funds. The recommendation is composed of \$1,022,442 for salaries for 29.5 FTE positions, \$697,002 for contractual services, and \$22,116 for commodities. The Governor does not recommend the requested \$150,000 for brucellosis eradication in FY 1996.

The Animal Health Department is financed from a variety of sources, including the State General Fund, fee funds, and federal funds. Historically, the agency has financed over 70 percent of its operations from fee funds. Fee funds financed 75.4 percent of the budget in FY 1990, 72.7 percent in FY 1991, 86.9 percent in FY 1992, 76.7 percent in FY 1993, and 78.0 percent in FY 1994. Based on the agency's request, fee funds would finance 73.0 percent of the budget in FY 1995, but would drop to 60.1 percent in FY 1996. Under the Governor's recommendation, fee funds would finance 67.8 percent and 72.5 percent of the budget in FY 1995 and FY 1996, respectively.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments:

4-4

1. Delete \$38,099, including \$11,163 from the State General Fund (SGF) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$2,302); classified step movement (\$15,940); a 1 percent base adjustment for classified employees (\$8,590); and the longevity bonus (\$11,267) from individual agency budgets.
2. Add \$10,717 (State General Fund) to reduce the recommended shrinkage rate from 3 percent to 2.0 percent. The Livestock Commissioner stated that the agency is holding 1.5 positions vacant in order to meet the 3.0 percent shrinkage rate in the current year. This lower shrinkage rate will allow the agency to more effectively meet its statutory responsibilities.
3. Add \$6,000 (SGF) for travel to allow for increased travel in the brucellosis eradication program. The Governor's recommendation for travel of \$76,898 is \$6,682 below actual FY 1994 expenditures. The Livestock Commissioner stated that, if current eradication efforts are continued, Kansas should have no infected herds by October of 1996. Also, according to the agency, federal funding for brucellosis eradication (\$250 per head) will cease in 1998.
4. Add \$300 from the State General Fund to allow the agency to purchase a snag pole and transport cages for the Animal Facilities Inspection Program. By statute, the agency is required to seize animals if the health or welfare of the animals are in question. Borrowing equipment can involve several hours or days of inspector's time; and cause delays in removing the animals.
5. Add \$625 from the State General Fund for capital outlay for the Animal Facilities Inspection Program. This one-time expenditure will allow the agency to purchase a CD ROM and tracking software to aid in the location of unlicensed facilities. The Governor's recommendation for travel for the Animal Facilities Inspection Program in FY 1996 is \$1,776 below actual FY 1994 expenditures. The agency expressed concern about its ability to locate unlicensed facilities (and thus increase its fee base) if travel expenditures are reduced. The recommended CD ROM and related software would allow the agency to capture some of these unlicensed facilities without requiring inspectors to pay a personal visit.
6. The Subcommittee notes the agency's concern regarding the reduction in travel for the Animal Facilities Inspection Program in FY 1996. To allow maximum flexibility to the agency, the Subcommittee recommends the introduction of legislation to amend K.S.A. 47-1709(c) which mandates that the Commissioner or the Commissioner's representative shall make inspections of the premises required to be licensed if there are reasonable grounds to believe that the person is violating the act. The agency has construed this provision of the act to mandate inspections of all complaints and to require a personal inspection of all unlicensed facilities which are located by the field inspectors. According to the agency, much of the original contacts to unlicensed facilities can be made by phone or letter without a personal inspection. Furthermore, although some complaints are valid, a fair number are frivolous. Unfounded complaints are often spotted by the agency before an inspection is made. Despite misgivings or actual knowledge that a complaint is groundless, the agency assigns an inspector to reinspect the facility based on the complaint. The Subcommittee believes that the agency should be allowed to exercise discretion in responding to complaints and recommends that the statutory

language be changed to make the inspection duties in this section permissive rather than mandatory.

7. The Subcommittee learned that the agency does not notify licensed facilities prior to their inspection. Kennel facilities in the state are frequently located in rural districts and are spread out over large areas. Consequently, when an inspector has driven hundreds of miles and arrives at an isolated facility and does not find anyone at home, the inspector often sits at the location for several hours before giving up. One inspector, whose area covers 33 counties in western Kansas, drove 2,918 miles in October, inspected 22 facilities and attempted to inspect another 21 facilities but was unable to locate the proprietor. The Subcommittee learned that the agency used to set appointments to inspect facilities but this practice was discontinued based on a 1990 post audit recommendation. The Subcommittee recommends that the agency develop an economical method of pre-notification, perhaps the morning of the inspection, which provides only short-term notice to the facilities but enables the inspector to go elsewhere if the licensee is not at home.
8. The Subcommittee learned that the agency has requested the introduction of a bill, from the Senate Committee on Agriculture, which would reconfigure the fee structure of the Animal Disease Control Fund. Despite the agency's intent to raise all large animal fees to the statutory maximum in FY 1996, recommended expenditures from the Animal Disease Control Fund exceed revenue by \$15,020 and leave the Fund with an ending balance of \$1,991. In addition, to maintain a positive balance in the fee fund, the Governor recommends transfers of \$35,088 in FY 1995 and \$39,532 in FY 1996 from various brand fee funds into the Animal Disease Control Fund. The Subcommittee strongly supports the new fee structure, which primarily funds the agency through animal remedy registrations. The revised fee structure would generate an additional \$200,000 in fees annually.
9. Lastly, the Subcommittee wishes to commend the staff of the Animal Health Department on their presentation before the Subcommittee: the agency presentation and the appeal documents were well prepared and concise.

Senate Committee Recommendation

Concur.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 96</u>	<u>Senate Rec. FY 96</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,479	\$ 485,377	\$ 14,000
Special Revenue Fund	(26,936)	1,235,726	0
Other Assistance:			
State General Fund	0	0	0
Special Revenue Fund	0	0	0
TOTAL	\$ (20,457)	\$ 1,721,103	\$ 14,000
FTE Positions	0.0	29.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	0.0	29.5	0.0

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate recommendation, with the following adjustments:

1. Add \$7,000 (State General Fund (SGF)) for travel in the Animal Facilities Inspection Program. The agency noted that the Governor's recommendation for travel in FY 1996 is \$6,545 below the current year level. This additional funding equates to \$27,270 per year, which is one inspector's travel for the year.
2. Add \$7,000 (SGF) in the Animal Disease Control Program to shift financing of this amount from the Brands Fee Fund to the SGF. The intent of this shift is to free up an additional \$7,000 in the Brand Fee Fund which can be used to support travel expenses by the two theft investigators in the Brand Inspection Program.
3. Add \$2,500 (SGF) in the ShaRP bill (for the Department of Administration) for one computer for the Animal Health Department. The Animal Health Department was originally told by DISC that their existing computer equipment was suitable. However, after the Animal Health Department budget was submitted DISC informed the Department that one new computer would be needed. The \$2,500 provides for this computer.
4. The House Subcommittee specifically endorses Senate Subcommittee recommendation Item No. 8, which expresses support for a new fee structure to fund the agency.
5. Several of the performance measures used in the *Governor's Budget Report* are shown below:

Administration	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Percent of management studies completed	--	40%	60%
Major Audit exceptions	--	--	2

Animal Disease Control	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Cattle tested for brucellosis	45,000	37,500	32,500
Brucellosis reactors (includes re-tests)	502	400	300

Animal Facilities Inspection	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Number of animal dealers licensed	397	357	300
Number of pet shops/shelters/pounds licensed	244	234	191
Number of research facilities licensed	13	13	13
Number of hobby breeders registered	215	171	150
Percent of Facilities passing initial inspection	75%	80%	70%

Brand Regulation	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
New brand registrations	1,102	1,150	1,200
Existing brands renewal (five-year renewal)	4,460	4,690	4,900
Total brands recorded at close of fiscal year	22,300	23,450	24,500
Cases that agency assisted	322	400	250

SUBCOMMITTEE REPORT

Agency: State Conservation Commission

Bill No. --

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 746

Budget Page No. 123

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95**</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,487,943	\$ 1,468,876	\$ 0
Local Aid	2,467,673	2,367,673	0
Other Assistance	7,382,999	6,632,999	0
TOTAL	<u><u>\$ 11,338,615</u></u>	<u><u>\$ 10,469,548</u></u>	<u><u>\$ 0</u></u>
State General Fund:*			
State Operations	\$ 537,722	\$ 1,000,607	\$ 0
Local Aid	276,393	276,393	0
Other Assistance	5,390,807	5,190,807	0
TOTAL	<u><u>\$ 6,204,922</u></u>	<u><u>\$ 6,467,807</u></u>	<u><u>\$ 0</u></u>
FTE Positions	14.0	14.0	--
Special Project Appointments	1.0	1.0	--
TOTAL	<u><u>15.0</u></u>	<u><u>15.0</u></u>	<u><u>--</u></u>

* The amounts listed for the State General Fund includes \$5,932,800 designated as being financed from the State General Fund portion of the State Water Plan Fund.

** Includes GBA No. 2 shift of \$465,600 to the State General Fund.

Agency Estimate/Governor's Recommendation

The agency's revised current year estimate reflects the reappropriation from FY 1994 of \$1,871,418 in State Water Plan Fund financing. The current year budget also reflects the addition of 3.0 new positions which were authorized by the 1994 Legislature: 1.0 Conservation Coordinator in Administration and 2.0 new positions (a Program Specialist and an Office Assistant) associated with the new Land Reclamation Program.

The Governor recommends a total of \$10,469,548 (of which \$6,002,207 is from the State General Fund) for FY 1995. The recommendation would support 15.0 positions. The recommendation would fund the following programs: Administration (\$535,007); Aid to Conservation Districts (\$981,646); Watershed Dam Construction (\$1,397,337); Water Resources Cost-Share Program (\$5,352,807); Multipurpose Small Lakes Program (\$258,493); Non-Point Source Pollution Control Program (\$1,632,225); Riparian and Wetland Program (\$242,487); and the Land Reclamation Point Program (\$69,546).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 1995.

Senate Committee Recommendation

Concur.

Senate Committee of the Whole Recommendation

Concur.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Subc. Adj.</u>
All Funds:			
State Operations	\$ 0	\$ 1,468,876	\$ 0
Local Aid	0	2,367,673	0
Other Assistance	0	6,632,999	0
TOTAL	<u>\$ 0</u>	<u>\$ 10,469,548</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 1,000,607	\$ 0
Local Aid	0	276,393	0
Other Assistance	0	5,190,807	0
TOTAL	<u>\$ 0</u>	<u>\$ 6,467,807</u>	<u>\$ 0</u>
FTE Positions	--	14.0	0.0
Special Project Appointments	--	1.0	0.0
TOTAL	<u>--</u>	<u>15.0</u>	<u>0.0</u>

House Subcommittee Recommendation

Concur.

SUBCOMMITTEE REPORT

Agency: State Conservation Commission

Bill No. 153

Bill Sec. 7

Analyst: Mills

Analysis Pg. No. 746

Budget Page No. 123

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,746,913	\$ 1,244,785	\$ (74,234)
Local Aid	4,477,485	2,586,646	(750,000)
Other Assistance	9,846,605	6,305,000	500,000
TOTAL	<u><u>\$ 16,071,003</u></u>	<u><u>\$ 10,136,431</u></u>	<u><u>\$ (324,234)</u></u>
State General Fund:*			
State Operations	\$ 585,275	\$ 594,799	\$ (20,329)
Local Aid	1,006,457	750,000	0
Other Assistance	5,640,000	5,200,000	0
TOTAL	<u><u>\$ 7,231,732</u></u>	<u><u>\$ 6,544,799</u></u>	<u><u>\$ (20,329)</u></u>
FTE Positions	14.0	14.0	--
Special Project Appointments	1.0	1.0	--
TOTAL	<u><u>15.0</u></u>	<u><u>15.0</u></u>	<u><u>--</u></u>

* The amounts listed for the State General Fund includes \$6,000,000 designated as being financed from the State General Fund portion of the State Water Plan Fund.

Agency Request/Governor's Recommendation

The agency requests an FY 1996 budget of \$16,071,003. State General Fund financing of \$1,591,732 is requested for aid to local conservation districts (\$1,006,457) and agency administration (\$585,275). State Water Plan funding of \$14,370,633 is requested for Watershed Dam Construction (\$1,470,633), Water Resources Cost Share (\$7,750,000), Multipurpose Small Lakes (\$2,500,000), Nonpoint Source Pollution Control (\$2,500,000), and Riparian and Wetland programs (\$150,000). Federal financing of \$17,287 is also included in the request. The request would continue the 14.0 FTE and 1.0 special projects positions currently authorized. The amount requested for the agency's aid and assistance programs totals \$14,324,090.

The Governor's recommendation for FY 1996 totals \$10,136,431 (of which \$544,799 is from the State General Fund). The recommendation will support 15.0 positions (14.0 FTE and 1.0 Special Project position). The recommendation would fund the following programs: Administration (\$544,799); Aid to Conservation Districts (\$981,646); Watershed Dam Construction (\$900,000); Water Resources Cost-Share Program (\$5,200,000); Multipurpose Small Lakes Program (\$800,000); Non-Point Source Pollution Control (\$1,500,000); Riparian and Wetland Program (\$118,021); and the Land Reclamation Program (\$91,965).

	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimated
Total supervisory visits to conservation districts	105	105	105
Hours spent in the field	487	650	500
Number of new dams constructed for flood control protection, grade stabilization, and other purposes consistent with provisions of the State Water Plan	26	31	22
Percentage of landowner tracts in compliance with provisions of the Flood Security Act of 1985	80%	88%	99%
Approved project work plans targeting nonpoint source pollution	74	166	225

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 1996, with the following adjustments:

1. Delete \$25,360, including \$21,455 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$11,258); classified step movement (\$10,105); a 1 percent base adjustment for classified employees (\$1,905); and the longevity bonus (\$2,092) from individual agency budgets.
2. Delete \$800,000 (State Water Plan Fund) in FY 1996 which the Governor had recommended for the North Fork Little Sugar Creek Reservoir project in Linn County under the Multipurpose Small Lakes program. The Subcommittee reviewed this project, which has an estimated cost of over \$4.3 million, and notes that the agency projects average annual benefits from the project of \$61,700 in FY 1996. The Subcommittee believes that this level of return on the investment of such a large sum is not warranted. The Subcommittee recommends that the \$800,000 be reallocated as noted in Item 3 below.
3. The Subcommittee recommends that the \$800,000 noted in Item 2 above be reallocated as follows:
 - a. Shift \$500,000 (SWPF) to the Nonpoint Source Pollution Program (NPS) to provide additional resources for this program in FY 1996. The agency had requested \$2.5 million for this program; and the Governor recommends \$1.5 million. The Subcommittee recommendation would provide a total of \$2.0 million for the NPS program.

- b. The remaining \$300,000 (SWPF) should be left in the balances of the State Water Plan Fund. The Subcommittee notes that the Governor's recommendation for the State Water Plan Fund result in ending balances of \$596,685 and \$191,996 in FY 1995 and FY 1996, respectively. The Subcommittee believes that the ending balance of the Fund should be higher; the additional \$300,000 will assure an ending balance approaching \$0.5 million in FY 1996.

- 4. A technical adjustment to add \$1,126 (SGF) to correct a salary miscalculation.

Senate Committee Recommendation

Concur.

Senate Committee of the Whole Recommendation

Concur.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 96</u>	<u>Senate Rec. FY 96</u>	<u>House Subc. Adj.</u>
All Funds:			
State Operations	\$ (74,234)	\$ 1,170,551	\$ 0
Local Aid	(750,000)	1,836,646	24,811
Other Assistance	500,000	6,805,000	(50,000)
TOTAL	<u>\$ (324,234)</u>	<u>\$ 9,812,197</u>	<u>\$ (25,189)</u>
State General Fund:			
State Operations	\$ (20,329)	\$ 574,470	\$ 0
Local Aid	0	750,000	0
Other Assistance	0	5,200,000	0
TOTAL	<u>\$ (20,329)</u>	<u>\$ 6,524,470</u>	<u>\$ 0</u>
FTE Positions	--	14.0	0.0
Special Project Appointments	--	1.0	0.0
TOTAL	<u>--</u>	<u>15.0</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate recommendation, with the following adjustments:

1. In the ShaRP bill which appropriates funds to the Department of Administration for the ShaRP project, add \$4,431 (SGF) for one printer, a computer upgrade, and related software to allow the agency access to the ShaRP system.
2. Reduce \$50,000 (State Water Plan Fund) of the \$100,000 recommended by the Governor for the Riparian and Wetland program; thus leaving a total of \$50,000 for the Riparian program in FY 1996.
3. Reallocate the \$50,000 savings noted in Item No. 2 above as follows:
 - a. Add \$24,811 (SWPF) to the Aid to Conservation Districts Program: this is the amount the agency appealed in order to fully match the eligible maximum amount (\$1,006,547) of county funding.
 - b. Leave the remaining \$25,189 in the balances of the State Water Plan Fund in FY 1996. The House Subcommittee had already expressed its concern about the low level of ending balances in the State Water Plan Fund and concurs with Senate Subcommittee Recommendation No. 3 above.
4. The House Subcommittee received a request from the Kansas Aggregate Producers' Association to shift funding for the Land Reclamation Program from the Land Reclamation Fee Fund to the State General Fund (the FY 1996 recommended expenditure is \$91,965). The House Subcommittee is strongly opposed to such a shift. During the 1994 Session, the industry requested this regulatory program, which was to be fee-supported and legislation was passed in 1994 to implement the program. Now, less than a year later, the industry is requesting that the costs of the regulatory program be shifted from the industry to the Kansas taxpayer, the House Subcommittee finds this to be inappropriate.

SUBCOMMITTEE REPORT

Agency: Kansas Water Office

Bill No. 236

Bill Sec. 7

Analyst: Mills

Analysis Pg. No. 752

Budget Page No. 545

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,907,258	\$ 4,867,373	\$ 0
Capital Improvements	13,621,120	13,621,120	0
TOTAL	<u>\$ 18,528,378</u>	<u>\$ 18,488,493</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 1,281,472	\$ 1,272,928	\$ 0
Capital Improvements	13,621,120	13,621,120	0
TOTAL	<u>\$ 14,902,592</u>	<u>\$ 14,894,048</u>	<u>\$ 0</u>
FTE Positions	22.0	22.0	0.0
Special Project Appointments	3.0	3.0	0.0
TOTAL	<u>25.0</u>	<u>25.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's revised current year estimate totals \$18,528,378, which is composed of \$1,126,159 for salaries and wages, \$3,427,314 for contractual services, \$12,668 for commodities, \$4,780 for capital outlay, \$13,621,120 for water supply storage acquisition, \$130,805 for departmental debt, and \$205,532 for nonexpense items. The estimate supports 22.0 FTE positions.

The Governor's recommendation for FY 1995 totals \$18,488,493, which is composed of \$1,171,839 for salaries and wages, \$3,341,749 for contractual services, \$12,668 for commodities, \$4,780 for capital outlay, \$130,805 for debt service, \$13,621,120 for water supply storage acquisition, and \$205,532 for nonexpense items. The Governor recommends 22.0 FTE positions. The Governor's recommendation includes a supplemental of \$378,165 (SWPF) for operation and maintenance expenditures associated with the purchase of additional storage space which was approved by the 1994 Legislature (\$13.6 million).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 1995.

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Senate Committee Recommendation

Concur.

Senate Committee of the Whole Recommendation

Concur.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Subc. Adj.</u>
All Funds:			
State Operations	\$ 0	\$ 4,867,373	\$ 0
Capital Improvements	0	13,621,120	0
TOTAL	<u>\$ 0</u>	<u>\$ 18,488,493</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 1,272,928	\$ 0
Capital Improvements	0	13,621,120	0
TOTAL	<u>\$ 0</u>	<u>\$ 14,894,048</u>	<u>\$ 0</u>
FTE Positions	0.0	22.0	0.0
Special Project Appointments	0.0	3.0	0.0
TOTAL	<u>0.0</u>	<u>25.0</u>	<u>0.0</u>

House Subcommittee Recommendation

Concur.

SUBCOMMITTEE REPORT

Agency: Kansas Water Office

Bill No. 153

Bill Sec. 8

Analyst: Mills

Analysis Pg. No. 752

Budget Page No. 545

<u>Expenditure Summary</u>	<u>Agency Estimate FY 96</u>	<u>Governor's Recommendation FY 96*</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,560,256	\$ 4,948,413	\$ (43,121)
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 6,560,256</u></u>	<u><u>\$ 4,948,413</u></u>	<u><u>\$ (43,121)</u></u>
State General Fund:			
State Operations	\$ 2,015,512	\$ 1,283,462	\$ (41,180)
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,015,512</u></u>	<u><u>\$ 1,283,462</u></u>	<u><u>\$ (41,180)</u></u>
FTE Positions	26.0	22.0	0.0
Special Project Appointments	0.0	1.0	0.0
TOTAL	<u><u>26.0</u></u>	<u><u>23.0</u></u>	<u><u>0.0</u></u>

* Includes GBA No. 2 adjustment reducing \$31,837 (SWPF).

Agency Estimate/Governor's Recommendation

The agency request for FY 1996 totals \$6,560,256, which is composed of \$1,255,565 for salaries and wages, \$4,837,406 for contractual services, \$15,012 for commodities, \$86,051 for capital outlay, \$150,000 for departmental debt, and \$216,222 for nonexpense items. The agency requests 26.0 FTE positions, an increase of 4.0 positions over the current year.

The Governor recommends a total of \$4,980,250 for FY 1996, which is composed of \$1,135,487 for salaries and wages, \$3,464,420 for contractual services, \$13,112 for commodities, \$1,009 for capital outlay, \$150,000 for debt service, and \$216,222 for nonexpense items. The Governor recommends 22.0 FTE positions, the same as the current year.

New Positions. The agency requests \$85,266 (plus fringe benefits) from the State General Fund in FY 1996 for 3.0 new FTE positions: 1.0 Water Resource Planner (\$35,412) to assume specific basin planning activities; 1.0 Information Technology Consultant I (\$29,136) would assist in the provision of technical assistance for new computer applications and software uses; and 1.0 Office Specialist (\$20,718) to assist in review, recordkeeping, and evaluation of the water resource programs.

The Governor does not recommend funding for the requested new positions.

Funding Shift. The agency's FY 1996 budget request includes a requested shift from the State Water Plan Fund to the State General Fund for support of the GIS Manager position (\$41,520) which is currently a special projects position. The agency requests that the position be made a permanent FTE position.

The Governor recommends that the GIS Resource Manager continue as a special projects position funded from the State Water Plan Fund.

Water Supply Acquisition. The agency requests \$1,490,110 from the State Water Plan Fund in FY 1996 for the acquisition of additional water supply storage space, including the ongoing operation and maintenance expenses associated with storage space.

The Governor recommends \$405,981 (SWPF) in FY 1996 to finance only the operation and maintenance costs for additional water storage space. For FY 1995, the Governor recommends the amount of \$378,165 (SWPF) to provide for the operation and maintenance expenditures associated with the purchase of additional storage space which was authorized by the 1994 Legislature (\$13,621,120).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following additional comments:

1. Delete \$43,121, including \$41,180 from the State General Fund based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$4,263); classified step movement (\$19,459); a 1 percent base adjustment for classified employees (\$9,160); and the longevity bonus (\$10,239) from individual agency budgets.
2. Shift \$190,000 recommended by the Governor for weather modification activities from the State Water Plan Fund (SWPF) to the Economic Development Initiatives Fund (EDIF). The Subcommittee learned that the Water Office has proposed a new initiative in FY 1996 regarding weather modification activities; the Water Authority approved the new proposal and the Governor recommends \$190,000 (SWPF) in FY 1996. The main thrust of this activity is to reduce crop hail damage through cloud-seeding efforts. The Water Office states that an estimated \$44.0 million of crop hail damage was saved in 1993 in the 13 participating counties. However, the Subcommittee believes that there is some controversy whether these weather modification efforts are actually achieving their intended result or whether they may be reducing precipitation. At any rate, the Subcommittee does not believe that SWPF money should be used for this initiative. The suppression of hail damage is actually an economic development item and, as such, should be funded from the EDIF. The Subcommittee recommends that the weather modification program be shifted to EDIF funding.
3. The Subcommittee wishes to express its concern with regard to the present system of legislative review of state agency computer equipment acquisition. In its FY 1996 budget request, the Water Office requested three replacement microcomputers (\$23,424), computer equipment for the SHARP personnel/payroll system (\$4,184),

and a new UNIX workstation (\$45,800). The Subcommittee inquired whether the Joint Committee on Computers and Technology (JCCT) had made a recommendation regarding the purchase of this equipment. The Subcommittee was dismayed to learn that the JCCT routinely reviews computer purchase only if the associated cost is \$500,000 or more. The Subcommittee believes that this raises a question of fairness for the small agency which is not able to present its case to the JCCT for its recommendation. The Subcommittee believes that some form of legislative review for computer purchase by small agencies should be implemented. Perhaps the Division of Information Systems and Telecommunications of the Department of Administration could assist the subcommittees in this review.

4. A technical correction to the appropriation bill to reinsert part of a proviso which was inadvertently deleted from the original bill draft.
5. As also stated in the Subcommittee report on the State Conservation Commission, the Subcommittee is concerned about the low level of ending balances of the State Water Plan Fund. Under the Governor's recommendation, the ending balances of the Fund will be \$596,685 and \$191,996 in FY 1995 and FY 1996, respectively. The Subcommittee believes that the ending balances should be higher and has recommended that an additional \$300,000 be left in the balances for FY 1996.

Senate Committee Recommendation

Concur.

Senate Committee of the Whole Recommendation

Concur.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 96</u>	<u>Senate Rec. FY 96</u>	<u>House Subc. Adj.</u>
All Funds:			
State Operations	\$ (43,121)	\$ 4,905,292	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ (43,121)	\$ 4,905,292	\$ 0
State General Fund:			
State Operations	\$ (41,180)	\$ 1,242,282	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ (41,180)	\$ 1,242,282	\$ 0
FTE Positions	0.0	22.0	0.0
Special Project Appointments	0.0	1.0	0.0
TOTAL	0.0	23.0	0.0

4-19

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate recommendation, with the following adjustments:

1. With regard to Senate Subcommittee Recommendation No. 2 which shifted \$190,000 for weather modification activities from the State Water Plan Fund (SWPF) to the Economic Development Initiatives Fund (EDIF), shift this funding back to the SWPF. The House Committee does not believe that this program should be funded from the EDIF. State Water Plan funding is more appropriate for these weather modification activities for the following reasons:
 - a. The State Water Plan Fund, not the Economic Development Incentives Fund, is the appropriate source for funding any enhancements to the Western Kansas Weather Modification Program, as the EDIF already contributes \$2 million annually to the State Water Plan Fund specifically for State Water Plan identified projects that have some economic benefits attached to them. Also, there is a specific statutory prohibition against use of further EDIF funds for water projects per K.S.A. 79-4804 (g).
 - b. The Kansas Water Office/Kansas Water Authority statutory charge under the State Water Resource Planning Act (K.S.A. 82a-927) includes “the sound management, both public and private, of the atmospheric, surface, and groundwater supplies of the state”; and “the prevention of the waste of the water supplies of the state.”

The Water Office believes that prevention of the destruction of a valuable crop produced with limited groundwater is preventing “waste” of water. Thus, hail damage suppression prevents waste of water by preserving the end product of the water’s use, crops, and by eliminating the need to use more water to start and grow a second crop should a crop be hail damaged early to mid-season. For this reason, the funding should be shifted back to the State Water Plan Fund.

2. In the ShaRP bill which appropriates funding for ShaRP to the Department of Administration, add \$4,184 (SGF) for the purchase of two personal computers which are needed to allow access to the ShaRP system.
3. The House Subcommittee specifically endorses Senate Subcommittee Recommendation No. 5, which expresses concern about the low level of ending balances of the State Water Plan Fund. The House Subcommittee has recommended in the State Conservation Commission budget that an additional \$300,000 be left in the balances for FY 1996.

4. Shown below are the performance measures for this agency used in the *Governor's Budget Report*.

Performance Measures --	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Number of existing 36 Water Plan policy subsection incorporated within state programs	32	34	35
Number of policy subsections reviewed, revised, or developed	1	23	20
Percent of water supply obligations met through water assurance or water marketing contracts	100%	100%	100%
Number of U.S. Geological Survey gauging stations used by state agencies for water planning and management	60	63	65
Percent of Geographic Information System Database completed	33%	45%	60%
Number of cities or rural water districts that exceeded their regional gallons per capita per day (GPCD) 75 percent or more in the calendar year	11	10	10
Number of cities or rural water districts with percentage of "unaccounted for" water of 30 percent or more	58%	57%	57%
Number of points of diversion from which irrigation water uses exceeded the regional standard acre-feet/acre by over 75 percent	45	40	40
Number of counties participating in weather modification programs	--	--	20

STATUS OF THE ECONOMIC DEVELOPMENT INITIATIVES FUND

Bill No.	Agency/Program	Governor's Rec. FY 96	Pct of \$ Avail.	House Rec. FY 96	Pct of \$ Avail.	Senate Rec. FY 96	Pct of \$ Avail.
HB 2132	Department of Commerce and Housing						
	Agency Operations	\$ 6,150,914		\$ 6,104,558		\$	
	Small Business Development Centers	325,000		325,000			
	Certified Development Companies	475,000		475,000			
	Kansas Industrial Training/Retraining	3,000,000		3,000,000			
	Trade Show Promotion Grants	270,000		270,000			
	Strategic Planning/Action Grants	600,000		600,000			
	Kansas Quality Improvement Network	65,000		--			
	Mid - America World Trade Center	--		65,000			
	Economic Initiative Opportunity Fund	4,000,000		4,000,000			
	High Performance Incentive Grants	75,000		75,000			
	Tourism Grants	379,600		379,600			
HB 2235	Travel Information Center Repairs	35,000		35,000			
	Micro Loan Program	2,400,000		1,500,000			
	Subtotal - KDCH	\$ 17,775,514	37.18%	\$ 16,829,158	35.20%	\$ --	--
HB 2132	Kansas Technology Enterprise Corporation						
	Agency Operations	\$ 1,651,579		\$ 1,594,239		\$	
	Centers of Excellence	4,250,000		4,250,000			
	Research Matching Grants	1,260,000		1,260,000			
	Business Innovative Research Grants	86,000		86,000			
	Training Equipment Grants	250,000		250,000			
	Industrial Liaison Program	300,000		300,000			
	Seed Capital	3,300,000		3,300,000			
	Special Projects	163,000		163,000			
	Commercialization	1,286,539		1,286,539			
	Agricultural Value Added Center	528,250		528,250			
	Mid-America Manufact. Tech. Center	1,000,000		1,000,000			
	EPSCoR	4,000,000		4,000,000			
	Subtotal - KTEC	\$ 18,075,368	37.81%	\$ 18,018,028	37.69%	\$ --	--
HB 2132	Kansas, Inc.						
	Agency Operations	\$ 129,144	0.27%	\$ 126,685	0.27%	\$	--
SB 153	Board of Agriculture						
	Market Promotion and Development	\$ 366,707	0.77%	\$	--	\$ 366,707	0.77%
SB 70	Department of Education						
	Innovative Program Assist.	\$ 1,485,000		\$		\$ 1,485,000	
	Matching Grants - AVTS	145,000				500,000	
	Postsecondary Aid - AVTS	6,050,000				6,050,000	
	Capital Outlay Aid - AVTS	1,500,000				1,650,000	
	Foundation for Agriculture	--				25,000	
	Cultural Heritage & Arts Center	--				20,000	
	Less Funds Available From Prior Years	(133,766)				(133,766)	
	Subtotal - Education	\$ 9,046,234	18.92%	\$ --	--	\$ 9,596,234	20.07%
SB 80	State Library - Local Library Data Base Grants	\$ --	--	\$	--	\$ 211,200	0.44%
SB 80	Historical Society - Historic Sites Transitions	\$ --	--	\$	--	\$ 42,586	0.09%
SB 178	Historical Society - Hollenberg Station Land	\$ --	--	\$	--	\$ 5,000	0.01%
SB 153	Kansas Water Office - Weather Modification	\$ --	--	\$	--	\$ 190,000	0.40%
79-4804	State Water Plan Fund	\$ 2,000,000	4.18%	\$ 2,000,000	4.18%	\$ 2,000,000	4.18%
	TOTAL TRANSFERS AND EXPENDITURES	\$ 47,392,967	99.14%	\$ 36,973,871	77.34%	\$ 12,411,727	25.96%

FY 1995 ADJUSTMENTS

SB 236	State Library - Local Library Data Base Grants	\$ --		\$		\$ 100,000	0.21%
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EDIF Resource Estimate

	Governor's Rec. FY 96		House Rec. FY 96		Senate Rec. FY 96	
Beginning Balance	\$ 5,005,580		\$ 5,005,580		\$ 4,905,580	
Lottery Transfers	38,142,000		38,142,000		38,142,000	
Racing Transfers	4,358,000		4,358,000		4,358,000	
Other Income	300,000		300,000		300,000	
Total Available	\$ 47,805,580	100.00%	\$ 47,805,580	100.00%	\$ 47,705,580	100.00%
Less: Expenditures and Transfers	47,392,967		36,973,871		12,411,727	
ENDING BALANCE	\$ 412,613	0.86%	\$ 10,831,709	22.66%	\$ 35,293,853	73.98%

Balance if 2nd House Concurs With Governor's Rec. On Items Not Yet Considered \$ 1,418,768 \$ (686,173)

Balance if 2nd House Concurs With First House Rec. On Items Not Yet Considered \$ 319,982 \$ 319,982

- Indicates a recommendation different than the Governor's

- Indicates a recommendation which has not yet been considered by that House

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KANSAS
ASSOCIATION OF
PUBLIC EMPLOYEES

1300 South Topeka Avenue Topeka, Kansas 66612 913-235-0262 Fax 913-235-3920

Kelly Jennings
Kansas Association of Public Employees
In Support of:
House Bill 2569
March 16, 1995

Members of the committee, good afternoon. My name is Kelly Jennings, and I represent the Kansas Association of Public Employees. I appreciate the opportunity to stand before you today in support of the state employee early retirement incentive program.

Kansas voters have made clear their desire for reductions in government. Lawmakers are now faced with achieving this task while still providing effective, efficient government services. House Bill 2569 will provide a means to achieve reduction in state government.

Reduction in state government is currently being implemented through attrition. This has been a very slow process due to the reluctance of employees to retire early because of financial reasons. Normal retirement benefits do not provide enough income for an individual to leave state employment early and survive financially. For those who wish to retire, the provisions of HB 2569 will provide enough supplemental income to affordably live until reaching eligibility for social security.

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Affiliated with the Federation of Public Employees / AFT / AFL-CIO



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On the surface, HB 2569 seems to provide the cure-all for reduction in state government. State government will be reduced and employees who choose to retire can do so in a financially secure manner.

However, KAPE does have some concerns with HB 2569 that should be addressed. More than 8500 employees will be eligible for early retirement under the provisions of this bill. If a large concentration of these employees in one agency choose to retire it could create a hardship on the agencies and the services then provided for the taxpayers.

Because FTE's will be eliminated by those retiring, an agency that faces a large concentration of retirees will ultimately suffer. Remaining employees will be faced with double and triple workloads, and services will surely be affected also creating a hardship on the taxpayers who rely on these government services.

KAPE applauds this committee in the attempt to reduce state government under the provisions of HB 2569. However, we urge careful consideration of how agencies and services may be detrimentally affected by this bill if large concentrations of employees choose to retire.

Thank you for the opportunity to appear today. I will be happy to answer any questions you may have.

TESTIMONY OF BRAD E. AVERY
STATE EMPLOYEES ASSOCIATION OF KANSAS
CONCERNING HB 2569

HB 2569 is a bill that would provide an accelerated retirement schedule for state employees by creating an early retirement window for those who have 30 or more years of service or whose age and years of service equal 65.

Members of S.E.A.K. enthusiastically support this measure because it would provide an unparalleled opportunity for approximately 8,500 state employees to end their employment relationship with the State of Kansas on exceptionally favorable terms. The early retirement option is a superior means of "downsizing" the state workforce and probably the most practical as well.

However, S.E.A.K. believes that the chances of this legislation surviving the scrutiny of both houses of the Legislature and the Governor will, in part, be dependent upon satisfactorily dealing with some difficult questions that this legislation raises but does not confront directly.

They are as follows:

1) **What is the desired profile of the employee the Legislature wishes to take the early retirement option afforded by this legislation?** HB 2569 is not targeted, and therefore all employees meeting the criteria are eligible for the early retirement option. However, KPERS benefits, even when enhanced, would not allow an employee to quit working unless that employee is also eligible to draw social security security and is therefore nearing retirement age or has other career options.

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(2)

A state employee age 50 with 15 years of experience would be eligible under this bill to begin drawing KPERS benefits. Since it is unlikely anyone who is at least 12 years away from drawing social security is going to retire, his or her decision about whether to take advantage of the window offered by this legislation may be based upon whether outside employment is available.

In turn, whether another job is available will likely be dependent upon how marketable the employee's skills and experience are. A critic of this legislation may therefore argue that the profile of the employees likely to take advantage of the early retirement window are those with the most marketable job skills. Those least likely to retire early may well be those whose age and occupational choice would make it difficult to impossible to find other employment.

2) What is the desired size of the state workforce?

HB 2569 begins with the supposition that the current state workforce is "too large." While this committee may agree, it would be well served to consider the optimum number of employees necessary to deliver the services required by the citizens of this state. While this bill provides the flexibility to the Governor to shift FTE positions, it would not allow positions to be filled vacated as the result of the use of the window.

An examination of where the major growth in FTE positions has occurred in recent years would probably reveal that much of it has resulted from the construction of new correctional facilities, social services, especially in the area of child support

(3)

enforcement and the changes mandated by worker's compensation reforms.

3) What offsets to the savings produced by this legislation will arise because of increased costs of overtime, temporary and contract work and worker burnout? This legislation has the effect of reducing the number of workers but not the workload of state government. It could be legitimately questioned how much of a savings will result if the costs of maintaining the current work force are merely shifted from FTE positions to paying the employees who remain overtime or hiring personnel who would not do not count against an agency's FTE count.

4) How will services to the public be affected? This should be a key question the committee should be able to satisfactorily answer before casting its final judgment on this bill. Obviously, the answer to it will be strongly related to the other three.

According to the literature I have had the chance to review, the corporate experience with downsizing has been mixed. Some organizations have experienced productivity gains and others have suffered losses. The results from governmental downsizing efforts are still being developed.

While S.E.A.K. supports this legislation, we strongly urge that the committee take the time to acquire the knowledge and facts to answer these questions before submitting it to the remainder of the legislative process.



**League
of Kansas
Municipalities**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 300 S.W. 8TH TOPEKA, KS 66603-3896 (913) 354-9565 FAX (913) 354-4186

TO: House Appropriations Committee

FROM: Chris McKenzie, Executive Director *CM*

DATE: March 16, 1995

RE: HB 2569

Thank you for the opportunity to appear today and offer testimony concerning HB 2569. While listed as an opponent of this legislation, this categorization does not fully capture the League's position on this bill. Our opposition is founded upon the fact that the early retirement provisions of this legislation would only be applicable to the state of Kansas and not to other participants in the KPERS system. We respectfully suggest that cities and other local units may wish to opt into such a system as provided in HB 2568.

In this time of shrinking government resources and increased pressure for cost-effectiveness, cities need the same tools the state government seeks in HB 2569. Furthermore, we believe passage of legislation which does not provide the same opportunity to local participants in KPERS is unfair. We urge the Committee to focus rather on the approach taken in HB 2568.

Thank you very much.

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STATE EARLY RETIREMENT WINDOWS

65 Point Eligibility

(Add 5 years of Service Credit; 15% Increase in Benefit to age 62)

MEMBERSHIP STATISTICS	REPLACEMENT OPTIONS	ANNUAL SAVINGS	YEARS TO PAYOFF	5 LEVEL ANNUAL PAYMENTS
KPERS				
Eligible Members	8,383	All	0	N/A
Average Salary	\$30,527	75%	\$63,976,960	7.17
Average Service	18.6	50%	\$127,953,921	3.10
Average Age	55	25%	\$191,930,881	1.98
Total Covered Payroll	\$255,907,841	None	\$255,907,841	1.46
Cost per Member	\$43,708			\$10,136
Maximum Cost	\$366,404,578			\$84,970,733
TIAA				
Eligible Members	135	All	0	N/A
Average Salary	\$50,188	75%	\$1,693,835	1.64
Average Service	8.6	50%	\$3,387,670	0.80
Average Age	62	25%	\$5,081,505	0.53
Total Covered Payroll	\$6,775,340	None	\$6,775,340	0.39
Cost per Member	\$20,136			\$4,670
Maximum Cost	\$2,718,419			\$630,413
KP&F				
Eligible Members	215	All	0	N/A
Average Salary	\$43,110	75%	\$2,317,163	9.24
Average Service	22.1	50%	\$4,634,325	3.82
Average Age	49	25%	\$6,951,488	2.42
Total Covered Payroll	\$9,268,650	None	\$9,268,650	1.77
Cost per Member	\$74,041			\$17,170
Maximum Cost	\$15,918,893			\$3,691,657
Total-All Groups				
Eligible Members	8,733	All	0	N/A
Average Salary	\$31,141	75%	\$67,987,958	7.07
Average Service	18.6	50%	\$135,975,915	3.06
Average Age	55	25%	\$203,963,873	1.96
Total Covered Payroll	\$271,951,831	None	\$271,951,831	1.44
Cost per Member	\$44,090			\$10,225
Maximum Cost	\$385,041,890			\$89,292,802

NOTES

Eligibility: (1) Attained age plus service equals at least 65; or (2) Age 62 and 10 years of service. Excludes all "Inactive" members and "Early Retirement Reductions".
 The "Average Salary", "Average Service", "Average Age" and "Total Covered Payroll" rows and the "Annual Savings" and "Years to Payoff" columns are approximations for comparative purposes only.
 The "Years to Payoff" and "5 Level Annual Payments" columns are based on 8% interest, compounded annually, with payments at the beginning of the year.

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EARLY RETIREMENT WINDOW

October 1, 1995 thru March 31, 1996

75 Point Eligibility

(Add 5 years of Service Credit; 15% Increase in Benefit to age 65)

MEMBERSHIP STATISTICS	REPLACEMENT OPTIONS	ANNUAL SAVINGS	YEARS TO PAYOFF	5 LEVEL ANNUAL PAYMENTS
KPERS STATE				
Eligible Members	4,012	All	0	N/A
Average Salary	\$28,809	75%	\$28,895,427	8.12
Average Service	22.518	50%	\$57,790,854	3.44
Average Age	58	25%	\$86,686,281	2.19
Total Covered Payroll	\$115,581,708	None	\$115,581,708	1.60
Cost per Member	\$45,191			\$10,480
Maximum Cost	\$181,306,141			\$42,045,642
TIAA				
Eligible Members	43	All	0	N/A
Average Salary	\$44,480	75%	\$478,160	2.00
Average Service	15.292	50%	\$956,320	0.96
Average Age	63	25%	\$1,434,480	0.63
Total Covered Payroll	\$1,912,640	None	\$1,912,640	0.47
Cost per Member	\$21,405			\$4,964
Maximum Cost	\$920,396			\$213,444
KP&F STATE				
Eligible Members	82	All	0	N/A
Average Salary	\$41,593	75%	\$852,657	10.24
Average Service	23.942	50%	\$1,705,313	4.14
Average Age	53	25%	\$2,557,970	2.61
Total Covered Payroll	\$3,410,626	None	\$3,410,626	1.90
Cost per Member	\$76,568			\$17,756
Maximum Cost	\$6,278,578			\$1,456,028
JUDGES STATE				
Eligible Members	68	All	0	N/A
Average Salary	\$61,002	75%	\$1,037,034	10.14
Average Service	10.871	50%	\$2,074,068	4.10
Average Age	59	25%	\$3,111,102	2.59
Total Covered Payroll	\$4,148,136	None	\$4,148,136	1.89
Cost per Member	\$111,523			\$25,863
Maximum Cost	\$7,583,590			\$1,758,666
Total-All Groups				
Eligible Members	4,205	All	0	N/A
Average Salary	\$29,739	75%	\$31,263,278	8.12
Average Service	22.28	50%	\$62,526,555	3.43
Average Age	57.97	25%	\$93,789,833	2.19
Total Covered Payroll	\$125,053,110	None	\$125,053,110	1.60
Cost per Member	\$46,632			\$10,814
Maximum Cost	\$196,088,705			\$45,473,779

NOTES

Eligibility: (1) Attained age plus service equals at least 75; (2) 30 years of service; or (3) Age 62 and 10 years of service.

Excludes all "Inactive" members and "Early Retirement Reductions".

The "Average Salary", "Average Service", "Average Age" and "Total Covered Payroll" rows and the "Annual Savings" and "Years to Payoff" columns are approximations for comparative purposes only.

The "Years to Payoff" and "5 Level Annual Payments" columns are based on 8% interest, compounded annually, with payments at the beginning of the year.

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Oct. 10

KPERS

February 23, 1995