

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on February 10, 1995 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Russell Mills, Legislative Research Department
Don Cawby, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant

Conferees appearing before the committee:

Others attending: See attached list

SB 153: Appropriations for FY 96, agricultural and natural resources agencies

Senator Vancrum reviewed the FY 95 and FY 96 subcommittee reports on the Kansas Water Office (Attachment 1). Staff distributed a tabulation of the Water Plan Fund uses and ending balances (Attachment 2). In discussing weather modification activities (Item 2, Attachment 1-4), members expressed concern about whether that activity should be a component of the Water Fund, whether EDIF funding should be used for that purpose, and whether the program should be funded in light of its questionable effectiveness. Senator Kerr moved, Senator Salisbury seconded, that item 2 be amended by concurring with the Governor's recommendation to use \$190,000 from the SWPF for weather modification activities. Senator Vancrum expressed his opposition to the motion, stating that if members did not support the program, it should be deleted, underscoring his belief that SWPF money should not be used for this purpose. In answer to a question, it was stated that this would be the first time this program would receive state funding. The motion failed on a show of hands.

Senator Vancrum noted, in reviewing item 4 (Attachment 1-5), that DISC does make itself available for the review of computer acquisition, but agencies need to be made aware that computer requests are subject to review.

Senator Vancrum reviewed the FY 95 and FY 96 subcommittee reports on the State Conservation Commission (Attachment 3). There was discussion about the value of the North Fork Little Sugar Creek Reservoir project; Mr. Kern, a representative of the Commission, stated that it was listed fourth on the agency's priority list. Senator Brady noted that if HB 2038 is enacted, it would provide a revolving loan fund to the projects which the agency has earmarked to fund this project (\$663,000). He stated that if that occurs, he would like the Committee to consider adding \$136,000 to the Omnibus Appropriations Bill to fully fund this project. In answer to questions, Mr. Kern stated that the state's total commitment to the project over three years would be \$2.3 million. He stated that the \$800,000 which the Governor has recommended would be the state's share to ensure federal commitment to the project. Mr. Kern also stated that \$61,700 annual return is on the flood control portion only.

Senator Vancrum moved, Senator Rock seconded that the FY 95 and FY 96 subcommittee reports for the Kansas Water Office and the State Conservation Commission be adopted. The motion carried on a voice vote.

Senator Lawrence reviewed the Fy 95 and FY 96 subcommittee reports for the Animal Health Department (Attachment 4). It was moved by Senator Lawrence and seconded by Senator Kerr that the reports be adopted. The motion carried on a voice vote.

The Chairman recessed the meeting at 12:00 noon for session. He reconvened the meeting at 12:25 P.M.

The FY 95 and FY 96 subcommittee reports on the Kansas Wheat Commission (Attachment 5) and the Grain Inspection Department (Attachment 6) were reviewed by Senator Lawrence. The Chairman asked why the Governor recommended \$131,000 from the SGF for the Grain Inspection Department when ending balances

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 10, 1995.

in the fee fund are estimated at \$1.125 million in FY 95. Staff noted that federal law does not allow any money collected for grain inspection to be used for agricultural programs.

Senator Lawrence moved, Senator Morris seconded, that the subcommittee reports for the Wheat Commission and Grain Inspection Department be adopted. The motion carried on a voice vote.

Senator Morris presented the FY 95 and FY 96 subcommittee reports on the Kansas State Board of Agriculture (Attachment 7). It was moved by Senator Morris and seconded by Senator Petty that the reports be adopted. The motion carried on a voice vote.

The FY 95 and FY 96 subcommittee reports on the Kansas State Fair (Attachment 8) were reviewed by Senator Lawrence. It was moved by Senator Lawrence and seconded by Senator Morris that the reports be adopted. The motion carried on a voice vote.

It was moved by Senator Lawrence and seconded by Senator Morris that the Department of Wildlife and Parks be deleted from SB 153. The motion carried on a voice vote.

Senator Lawrence moved, Senator Rock seconded that SB 153 as amended be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 12:40 P.M. The next meeting is scheduled for February 13, 1995.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: FEBRUARY 10, 1995

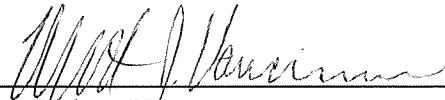
| NAME | REPRESENTING |
|------------------|---------------------------------|
| Tom Meyer | GRAIN INSPECTION |
| Gary M. Bothwell | - |
| Paul Scott | - |
| Bon Scheifman | " " |
| Steve Hunt | Kansas Water Office |
| Tom Wedel | " |
| Kola Warner | St. Conservation Commission |
| Ken Kern | St. Conservation Commission |
| Spacy Carne | Kansas Animal Health |
| Shonia Ramos | KS Animal Health |
| Liz Ince | State Library |
| Greg Krissch | State Dept of Ag |
| Dorothy Barnes | " " " " |
| Allice Daines | Secretary of Ag |
| DON JACKS | STATE DEPARTMENT OF AGRICULTURE |
| George Teagarden | Ks Animal Health Dept. |
| Mike Beam | Ks. Livestock Comm. |
| Wayne White | Ks. Legal Services |
| G. Smith | Governor's GIS Policy Board |

SUBCOMMITTEE REPORT

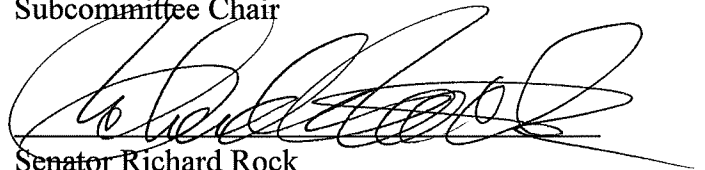
FY 1995 - FY 1996

Kansas Water Office

State Conservation Commission



Senator Robert Vancrum
Subcommittee Chair



Senator Richard Rock

SWAM
February 10, 1995
Attachment 1

SUBCOMMITTEE REPORT

Agency: Kansas Water Office

Bill No. --

Bill Sec. --

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><u>\$ 18,528,378</u></u> | <u><u>\$ 18,488,493</u></u> | <u><u>\$ 0</u></u> |
| State General Fund: | | | |
| State Operations | \$ 1,281,472 | \$ 1,272,928 | \$ 0 |
| Capital Improvements | 13,621,120 | 13,621,120 | 0 |
| TOTAL | <u><u>\$ 14,902,592</u></u> | <u><u>\$ 14,894,048</u></u> | <u><u>\$ 0</u></u> |
| FTE Positions | 22.0 | 22.0 | 0.0 |
| Special Project Appointments | 3.0 | 3.0 | 0.0 |
| TOTAL | <u><u>25.0</u></u> | <u><u>25.0</u></u> | <u><u>0.0</u></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.

Senate Subcommittee Recommendation

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

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 | \$ 4,980,250 | \$ (43,121) |
| Capital Improvements | 0 | 0 | 0 |
| TOTAL | <u><u>\$ 6,560,256</u></u> | <u><u>\$ 4,980,250</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> |

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 \$126,756 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.

STATE WATER PLAN FUND

The State Water Plan Fund was created by the 1989 Legislature for the purpose of implementing the State Water Plan formulated pursuant to K.S.A. 82a-903 *et seq.* Subject to appropriations acts, the fund may be used for the establishment and implementation of water related projects or programs, and related technical assistance. K.S.A. 82a-951(a) provides that the fund may not be used for replacing full-time equivalent positions of any state agency or recreational projects which do not meet one or more of the long-range goals, objectives, and considerations set forth in the water resources planning act. The fund is supported by a \$.03 per 1,000 gallons water protection fee on public, industrial, and stock water use; a fee of \$1.40 per ton of fertilizer sold in Kansas; a fee of \$100 on the registration of pesticides; certain fines levied by the Department of Health and Environment; and transfers of \$6,000,000 from the State General Fund and \$2,000,000 from the Economic Development Initiatives Fund (EDIF). Legislative actions reduced the State General Fund transfer by 3.0 percent in FY 1993, by 4.0 percent in FY 1994, and by 1.01 percent in FY 1995, and the EDIF transfer by 1.0 percent in FY 1994. The following summarizes the status of the fund for FY 1994 through FY 1995, based on the Governor's recommendations.

| State Water Plan Fund FY 1994-FY 1996 | | | |
|--|-----------------------------|-----------------------------|-----------------------------|
| | Actual FY 94 | Gov. Rec. FY 95 | Gov. Rec. FY 96 |
| Beginning Balance | \$ 857,433 | \$ 629,172 | \$ 596,685 |
| Receipts: | | | |
| State General Fund | 5,760,000 | 5,932,800 | 6,000,000 |
| EDIF | 1,980,000 | 2,000,000 | 2,000,000 |
| Public Water Fees | 3,010,492 | 3,200,000 | 3,200,000 |
| Industrial Fees | 868,229 | 1,300,000 | 1,300,000 |
| Stock Fees | 120,012 | 275,000 | 275,000 |
| Fertilizer Fees | 2,535,750 | 2,458,718 | 2,254,000 |
| Pesticide Fees | 817,015 | 808,800 | 800,700 |
| Fines | 26,699 | 26,699 | 26,699 |
| Sabetha Multipurpose Small Lakes | 0 | 663,756 | 0 |
| Subtotal -- Receipts | <u>\$ 15,118,197</u> | <u>\$ 16,665,773</u> | <u>\$ 15,856,399</u> |
| TOTAL AVAILABLE | <u><u>\$ 15,975,630</u></u> | <u><u>\$ 17,294,945</u></u> | <u><u>\$ 16,453,084</u></u> |
| Less: Demands* | | | |
| State Conservation Commission | \$ 9,654,544 | \$ 8,696,646 | \$ 8,631,646 |
| Dept. of Health and Environment | 2,743,933 | 3,616,661 | 3,520,943 |
| Board of Agriculture | 600,000 | 1,217,718 | 923,182 |
| Kansas Water Office | 1,152,981 | 1,893,035 | 1,935,317 |
| University of Kansas | 200,000 | 200,000 | 200,000 |
| Dept. of Wildlife and Parks | 995,000 | 1,074,200 | 1,050,000 |
| Subtotal -- Demands | <u>\$ 15,346,458</u> | <u>\$ 16,698,260</u> | <u>\$ 16,261,088</u> |
| ENDING BALANCE | <u><u>\$ 629,172</u></u> | <u><u>\$ 596,685</u></u> | <u><u>\$ 191,996</u></u> |

* Does not reflect authorized expenditures from prior year allocations which remain in individual agency accounts.

| Water Related Research | | | | | |
|----------------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Actual FY 94 | Agency Est. FY 95 | Gov. Rec. FY 95 | Agency Req. FY 96 | Gov. Rec. FY 96 |
| Aquifer Interaction-Kansas River | \$ 85,000 | \$ 85,000 | 85,000 | \$ 0 | \$ 0 |
| Solomon Basin Evaluation | 50,000 | 50,000 | 50,000 | 0 | 0 |
| Impact of Safe Yield Policies | 47,000 | 0 | 0 | 0 | 0 |
| Corps Planning Assistance | 0 | 10,000 | 10,000 | 0 | 0 |
| USGS Gauging Stations | 4,300 | 295,925 | 295,925 | 0 | 307,762 |
| GIS Manager | 47,253 | 49,439 | 0 | 0 | 51,574 |
| Data Access and Support Ctr. | 120,000 | 120,000 | 120,000 | 0 | 120,000 |
| MOV Storage Operation | 0 | 378,165 | 378,165 | 695,092 | 405,981 |
| Milford/Perry Storage | 0 | 0 | 0 | 795,018 | 0 |
| Tech. Assist. | 53,912 | 171,860 | 171,860 | 150,000 | 150,000 |
| GIS Database Development | 271,403 | 328,716 | 378,155 | 300,000 | 300,000 |
| Natural Resource Pub. Ed. | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Ed. Assist. to Western Kansas | 0 | 75,000 | 45,000 | 75,000 | 35,000 |
| Mineral Intrusion Big Bend | 105,000 | 85,000 | 85,000 | 65,000 | 65,000 |
| Republican Subbasin Eval. | 152,313 | 123,300 | 123,300 | 125,000 | 125,000 |
| Neosho Subbasin Plan | 118,300 | 125,147 | 125,147 | 100,000 | 50,000 |
| Public Water Supply Survey | 0 | 0 | 0 | 25,000 | 25,000 |
| Public Information | 0 | 15,000 | 15,000 | 10,000 | 0 |
| Weather Modification | 0 | 0 | 0 | 200,000 | 190,000 |
| Reducing Irrigation Withdrawal | 0 | 0 | 0 | 30,000 | 0 |
| Upper Arkansas Water Quality | 0 | 0 | 0 | 60,000 | 35,000 |
| Equus Beds Saltwater | 0 | 0 | 0 | 50,000 | 25,000 |
| Verdigris River Sediment | 0 | 0 | 0 | 10,000 | 7,500 |
| Upper Ark. Hydrology | 0 | 0 | 0 | 40,000 | 17,500 |
| Alfalfa/Wheat Irrigation | 0 | 0 | 0 | 30,000 | 0 |
| Arkansas Pilot Channel | 0 | 0 | 0 | 30,000 | 0 |
| Mineral Intrusion - Kansas River | 0 | 0 | 0 | 5,000 | 5,000 |
| TOTAL | \$ 1,104,481 | \$ 1,962,552 | \$ 1,932,552 | \$ 2,845,110 | \$ 1,965,317 |

(Staff Note: Funding for each of the following projects in FY 1996 is requested from the State Water Plan Fund.)

1. *Technical Assistance to Water Users for Conservation Plan Adoption and Implementation.* \$150,000 is requested in FY 1996 to continue to provide technical assistance to water users. The Kansas Water Office is required by statute to provide technical assistance to water users developing water conservation plans.

1. The Governor recommends \$150,000 (SWPF) in FY 1996 for technical assistance.

SUBCOMMITTEE REPORT

Agency: State Conservation Commission

Bill No. --

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 746

Budget Page No. 123

| Expenditure Summary | Agency Estimate FY 95 | Governor's Recommendation FY 95 | Senate Subcommittee Adjustments |
|------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| 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 | \$ 535,007 | \$ 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>\$ 6,002,207</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.

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).

*SWAM
February 10, 1995
Attachment 3*

Senate Subcommittee Recommendation

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

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 | \$ (74,204) |
| Local Aid | 4,477,485 | 2,586,646 | (750,000) |
| Other Assistance | 9,846,605 | 6,305,000 | 500,000 |
| TOTAL | <u>\$ 16,071,003</u> | <u>\$ 10,136,431</u> | <u>\$ (324,204)</u> |
| State General Fund:* | | | |
| State Operations | \$ 585,275 | \$ 594,799 | \$ (20,299) |
| Local Aid | 1,006,457 | 750,000 | 0 |
| Other Assistance | 5,640,000 | 5,200,000 | 0 |
| TOTAL | <u>\$ 7,231,732</u> | <u>\$ 6,544,799</u> | <u>\$ (20,299)</u> |
| FTE Positions | 14.0 | 14.0 | -- |
| Special Project Appointments | 1.0 | 1.0 | -- |
| TOTAL | <u>15.0</u> | <u>15.0</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 | FY 1995 | FY 1996 |
|---|---------|----------|-----------|
| | Actual | Estimate | 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 \$126,756 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.

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. --

Bill Sec. --

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> |

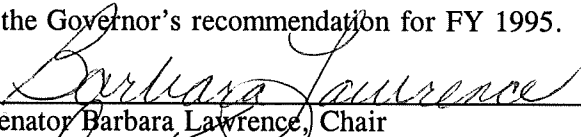
Agency Estimate/Governor's Recommendation

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).

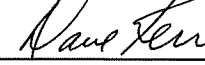
The Governor recommends a total of \$1,754,733 for FY 1995, a reduction of \$119,340 from the agency revised estimate. The Governor's recommendation for FY 1995 includes \$983,715 for salaries, \$721,018 for other operating expenditures, and \$50,000 for brucellosis eradication. The Governor does not 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.



 Senator Barbara Lawrence, Chair



 Senator Dave Kerr

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 | <u><u>\$ 1,956,566</u></u> | <u><u>\$ 1,741,560</u></u> | <u><u>\$ (20,457)</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 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:

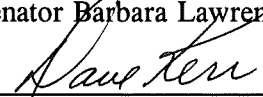
1. Delete \$38,099, including \$11,163 from the State General Fund (SGF) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$2,302); classified step movement (\$15,940); a 1 percent base adjustment for classified employees (\$8,590); and the longevity bonus (\$11,267) 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 local 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.



Senator Barbara Lawrence, Chair



Senator Dave Kerr

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 |

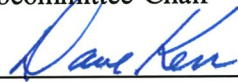
*SWAM
February 10, 1995
Attachment 5*

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



Senator Barbara Lawrence
Subcommittee Chair



Senator Dave Kerr

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:

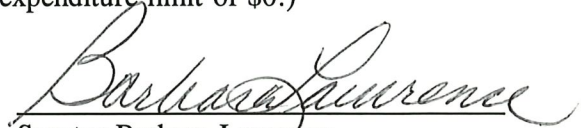
1. Delete \$9,101 based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$3,844); classified step movement \$(0); a one percent base adjustment for classified employees (\$1,912); and the longevity bonus (\$3,345) from individual agency budgets. (**Staff Note:** The 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.

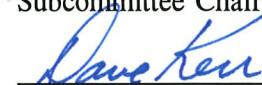
| Performance Indicators | | | |
|--|-----------------|--------------------|--------------------|
| | Actual FY 94 | Estimated FY 95 | Estimated FY 96 |
| Number of Wheat Trade Missions | 21 | 18 | 18 |
| Number of Flour Mill/Marketing Courses | 10 | 8 | 8 |
| Research Contracts | 19 | 15 | 12 |
| Number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

| Resource Estimate | Actual FY 94 | Estimated FY 95 | Estimated FY 96 |
|---|--------------------------|--------------------------|--------------------------|
| Beginning Balance | \$ 1,133,230 | \$ 981,462 | \$ 916,764 |
| Projected Receipts | 2,167,252 | 2,345,840 | 2,255,000 |
| Total Available | <u>\$ 3,300,482</u> | <u>\$ 3,327,302</u> | <u>\$ 3,171,754</u> |
| Less: Expenditures | 2,319,020 | 2,410,548 | 2,219,834 |
| 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.)



Senator Barbara Lawrence
Subcommittee Chair



Senator Dave Kerr

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.

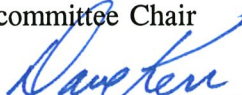
*SWAM
February 10, 1995
Attachment 6*

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



 Senator Barbara Lawrence
 Subcommittee Chair



 Senator Dave Kerr

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, 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 it 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 Department's 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 | 5,231,979 | 5,456,185 | 5,597,467 |
| Total Available | <u>\$ 6,220,057</u> | <u>\$ 6,685,352</u> | <u>\$ 6,722,997</u> |
| Less: Expenditures | 4,794,488 | 5,349,822 | 5,379,866 |
| Federal Fees Remitted | 196,402 | 210,000 | 210,000 |
| Ending Balance | <u><u>\$ 1,229,167</u></u> | <u><u>\$ 1,125,530</u></u> | <u><u>\$ 1,133,131</u></u> |
| Ending Balance as a Percentage of Expenditures | 25.6% | 21.0% | 21.1% |


 Senator Barbara Lawrence
 Subcommittee Chair


 Senator Dave Kerr

1995 Senate Bill 153
§ 2

Kansas
State Board of
Agriculture

Stephen R Morris

Senator Stephen
Morris
Chairman

Marge Petty

Senator Marge Petty

SWAM
February 10, 1995
Attachment 7

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.

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><u>\$ 22,258,643</u></u> | <u><u>\$ 20,104,035</u></u> | <u><u>\$ (483,809)</u></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><u>\$ 11,470,225</u></u> | <u><u>\$ 9,460,466</u></u> | <u><u>\$ (299,351)</u></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.

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 | 2,646,451 | 2,645,589 | 0 |
| Subtotal -- State Operations | <u>\$ 2,760,451</u> | <u>\$ 2,759,589</u> | <u>\$ 0</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 1,929,657 | \$ 1,929,657 | \$ 0 |
| Special Revenue Funds | 309,343 | 309,343 | 0 |
| Subtotal -- Capital Improv. | <u>\$ 2,239,000</u> | <u>\$ 2,239,000</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 4,999,451</u></u> | <u><u>\$ 4,998,589</u></u> | <u><u>\$ 0</u></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.

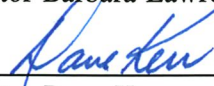
*SWAM
February 10, 1995
Attachment 8*

Senate Subcommittee Recommendation

Concur.



Senator Barbara Lawrence, Chair



Senator Dave Kerr

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 | 2,913,990 | 2,884,729 | 9,799 |
| 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 | 198,450 | 197,900 | 0 |
| 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

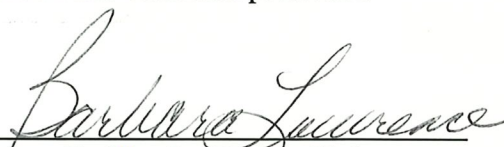
The agency requests FY 1996 operating expenditures in the amount of \$3,128,990, \$15,000 of which is from the State General Fund (for children's programming). The FY 1996 request is a 13.4 percent increase over the revised current year estimate. The increase is due mainly to increased requested expenditures 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.

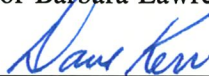
Senate Subcommittee Recommendation

The Senate Subcommittee makes the following adjustments:

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 overfill protection and corrosion protection be installed to replace current tanks.



Senator Barbara Lawrence, Chair



Senator Dave Kerr