

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS.

The meeting was called to order by the Chair, Rep. Carol Dawson, at 9:00 a.m. on February 20, 1996 in Room 521-S of the Capitol.

All members were present except: All Present

Committee staff present: Dennis Hodgins, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Jim Wilson, Revisor of Statutes
Donna Luttjohann, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Hearing on:

SB 461: Concerning the reorganizing of the Department of Commerce and Housing

Madam Chairman Dawson requested a briefing of the bill by Legislative Research staff member, Carolyn Rampey who explained the bill.

Gary Sherrer, Department of Commerce and Housing, was recognized by Chair Dawson. He testified that in order to be more effective in reducing overhead costs and putting more people in the field, the Department needs to be able to better organize the Department. They are unable to do this now because of the current law. Mr. Sherrer offered an amendment that would take care of the concerns of ERO 26. See Attachment 1.

The Chair acknowledged that written testimony was submitted by Jamie Clover-Adams, representing KS Grain and Feed Assn and the KS Fertilizer and Chemical Assn. See Attachment 2.

The hearing on SB 461 was closed.

Briefing on:

HB 3000: Prescribing certain standards governing ethics and conduct for public officers and employees

Chairman Dawson recognized Arden Ensley, Revisor of Statutes, to brief the Committee regarding the bill. He explained that this bill creates new lobby laws for local governments and makes revisions to the lobby laws for state officials. This bill is general ethics reform.

The Madam Chair adjourned the meeting at 10:28 a.m. The next meeting is scheduled for February 21, 1996, in Room 521-S of the Capitol.

Sec. 6 There is hereby established within the department of commerce and housing the office of agricultural marketing and development. Subject to and in accordance with appropriations acts, the office of agricultural marketing and development shall include:

(a) all powers, duties and functions related to the technical assistance component of the programs of the agricultural value added center;

(b) all powers, duties and functions related to the industrial agriculture component of the programs of the agricultural value added center;

(c) all powers, duties and functions related to the food and feeding stuffs component of the programs of the agricultural value added center; and

(d) all powers, duties and functions related to the division of marketing of the department of agriculture including but not limited to:

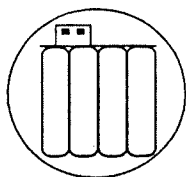
(1) investigation of opportunities to market agricultural products;

(2) promoting the sale, distribution and marketing of such products;

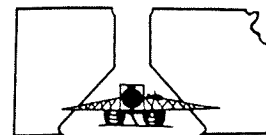
(3) the conduct of market development activities, assisting and coordinating participation by companies, commodity organizations, trade organizations, producer organizations and other interested organizations to develop new markets and sales for Kansas agricultural commodities and food products;

(4) rendering marketing and development assistance to any of the entities identified in subsection (d)(3);

(5) tracking, analyzing and evaluating the effectiveness of programs and functions of the office of agricultural marketing and development, providing information to be included in the department of commerce and housing annual report which shall be presented to the governor, legislature, and the senate and house agriculture committees.



**Kansas Grain & Feed Association
Kansas Fertilizer & Chemical Association**



**Statement of the
Kansas Grain and Feed Association
and the
Kansas Fertilizer and Chemical Association
to the
House Government Organization Committee
Regarding S.B. 461
Rep. Carol Dawson, chair
February 20, 1996**



KGFA & KFCFA advocate public policies that advance a sound economic climate for agribusiness to grow and prosper so they may continue their integral role in providing Kansans and the world with the safest, most abundant supply of food and fiber.

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The Kansas Grain and Feed Association

..... a voluntary state organization founded in 1896 providing governmental representation, educational opportunities and a wide variety of other services to the vast and indispensable grain and feed marketing system. The 1200 members of the KGFA include country elevators, subterminal and terminal elevators, feed manufacturers, grain merchandisers and allied industries such as railroads, grain exchanges, equipment manufacturers and insurance firms.

The Kansas Fertilizer and Chemical Association.....

..... a voluntary professional association for those involved in the plant nutrient and crop protection industry. KFCA represents our nearly 500 members interests in legislative matters at all levels of government, as well as providing educational opportunities and business services. The industry is committed to professional development and business viability for the plant nutrient and crop protection retail industry.

The following statement is submitted on behalf of both the Kansas Grain and Feed Association (KGFA) and the Kansas Fertilizer and Chemical Association (KFCA). While the two agribusiness associations share staff, they have distinct memberships, separate boards of directors and association programs. KGFA's 1200 members include country elevators -- both independent and cooperative -- subterminal and terminal elevators, feed manufacturers, grain merchandisers and others who serve the industry. KFCA's nearly 500 members are primarily plant nutrient and crop protection retail dealers, but also include manufacturer's representatives, distribution firms, and equipment manufacturers. We appreciate this opportunity to comment on S.B. 461.

In conversations with committee members, it has come to our attention that an amendment will be offered to S.B. 461 that creates an agriculture product development and marketing entity within the Kansas Department of Commerce and Housing (KDCH). KGFA and KFCA wholeheartedly support such an amendment.

As background, S.B. 507 abolishes the Kansas Value-Added Center and transfers its function to KDCH. Further, ERO26 transfers the Kansas Department of Agriculture (KDA) marketing division to KDCH. Both of these transfers have been incorporated into the Governor's budget recommendations. These transfers are logical in this time of "rightsizing" government -- consolidating programs to eliminate duplicative effort and thereby reduce government spending while maintaining programs and improving efficiency. ERO26 alone allows KDA to cut its budget approximately \$500,000 and 6 FTEs.

The farm-to-fork system in Kansas accounts for between 18-20% of the state's gross domestic product (GDP). It accounts for 13% of GDP in Johnson county and one of every five jobs in Kansas is related to agriculture. Agriculture is a growth industry with food demand around the world increasing rapidly. As the "wheat state," Kansas agriculture should be ready to grab its share of this growing market. A agriculture product development and marketing entity within KDCH will enable the Department of focus on agriculture and its ability to help the Kansas economy grow.

KGFA and KFCA would also recommend that this entity be required by statute to report annually to the standing agriculture committees. We would further suggest the statute specifically state that performance measures be part of that report. As you well know, you can have money and programs but that does not guarantee results.

KGFA and KFCA support the creation of this entity for another reason. The move is calculated in the Governor's budget with a \$500,000 reduction in the KDA budget. If the consolidation does not happen, this money must come out of existing programs. This could include pesticide special registration programs that allow producers to use products off label. For example, KDA approved a special local need registration for 15-G Insecticide Nematicide to control chinch bugs in grain sorghum. The Pest Detection Program which enables KDA to issue phytosanitary certificates could be scaled back. Without phytosanitary certificates, Kansas cannot ship commodities into foreign markets and thereby loses the benefits gained through the NAFTA and GATT treaties. The Plant Health Division of KDA also provides technical assistance to county noxious weed directors. Landowners across the state benefit when noxious weeds are controlled since their presence decreases the value of their commodities. The Division of Water Resources receives 70% of their support from state general funds. Cuts in this program could lead to further backlogs in the appropriations of water rights. Bottomline: the cuts must come from somewhere if consolidation does not come to fruition.

In closing, KGFA and KFCA would reiterate our support for an entity within KDCH that handles agriculture product development and marketing. Both associations would also support a statutory requirement to require KDCH to report to the standing agriculture committees on an annual basis outlining their efforts in the agriculture arena. We would further suggest the statute clearly contain language requiring the inclusion of performance measures in the annual report.

Thank you for your consideration. If you have any questions, please contact Jamie Clover Adams, Vice President of Government Affairs at 913-234-0461.

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