

Approved: 1/21/97  
Date

MINUTES OF THE SENATE ELECTIONS AND LOCAL GOVERNMENT COMMITTEE.

The meeting was called to order by Chairperson Janice Hardenburger at 1:40 p.m. on January 14, 1997 in Room 529-S of the Capitol.

All members were present.

Committee staff present: Dennis Hodgins, Legislative Research Department  
Mike Heim, Legislative Research Department  
Theresa Kiernan, Revisor of Statutes  
Bonnie Fritts, Committee Secretary

Conferees appearing before the committee: Sharon Patnode - Division of Legislative Post Audit  
Senator Tim Emert - Senate Majority Leader

Others attending: See attached list

Chairperson Hardenburger gave opening remarks, introduced staff, and asked committee members to identify themselves.

Legislative Research Department staff gave an overview of the Kansas Governmental Operations Accountability Law (K-GOAL) (Attachment 1). Staff reported that K-GOAL was established to ensure that state government serves the public in the most beneficial, efficient, and cost effective way possible. According to K.S.A. 74-7284, there must be a performance audit conducted by the Legislative Division of Post Audit of each agency every eight years.

Senator Lawrence asked if there were any agencies that have been discontinued due to the K-GOAL or Legislative Post Audit reports. A member of the Legislative Post Audit Committee responded saying that none of the agencies reviewed have been terminated.

Sharon Patnode, from the Division of Legislative Post Audit, appeared before the committee and submitted a performance audit report reviewing the Conservation Commission's effectiveness at meeting the goals established under the state water plan (Attachment 2). This report contains the findings, conclusions, and recommendations from the completed performance audit. She summarized the contents of each category.

Senator Becker asked what the difference is between a "Conservation District" and a "Watershed District". Ms. Patnode responded saying that a Conservation District is a county and each county has its own district and a Watershed District is a much larger district. Senator Becker also asked how the members of the Commission are selected. Ms. Patnode stated that it is governed by a nine-member board. Five members are elected by the conservation district supervisors from throughout the state, two are ex-officio members from the Cooperative Extension Service at Kansas State University, and two are appointed from the Kansas Department of Agriculture and the U.S. Department of Agriculture's Natural Resource Conservation Service. The Commission has a staff of 14, who administer a total of nine programs. She also explained the function of each program.

Senator Gooch asked where the money comes from to fund these programs and how the Commission tracks program effectiveness. Ms. Patnode said the County Conservation Districts are told by the Conservation Commission how much money they will have for each particular program for the year. They in turn advertise this information and landowners may apply for program funding. Board members then decide how to allocate the money. She referred to the table of page 11 of Attachment 2 that shows where money from commission funded projects was spent.

Chairperson Hardenburger asked for introduction of bills.

Senator Tim Emert appeared before the committee recommending introduction of a bill that would change the effective date that County Treasurers take office from October to January. Presently, elected officials other than County Treasurers take office the second Monday of January. County Treasurers take office in October.

Senator Becker moved to recommend the bill as requested. Senator Lawrence seconded the motion. The motion carried.

Senator Emert also asked for recommendation of a bill that would permit the governing body of a municipality located within a county to come under the blanket bond coverage that the county already has.

Senator Steineger made a motion to recommend the bill as requested. Senator Lawrence seconded the motion. The motion passed.

Chairperson Hardenburger asked each committee member what governmental experience they have had at a local level.

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for January 15, 1997.



January 13, 1997

**To:** House Committee on Governmental Organization and Elections

**From:** Mary Galligan, Principal Analyst

**Re:** The Kansas Governmental Operations Accountability Law (K-GOAL)

In 1991, the question of whether to extend the Kansas Sunset Law was considered by an interim committee. The committee recommended that the Sunset Law be terminated and that, in its place, a law be enacted to more accurately reflect legislative practice as it had evolved.

The legislation recommended by the interim committee and amended during the 1992 Session became effective July 1, 1992. Called the "Kansas Governmental Operations Accountability Law" (K-GOAL), its stated purpose is to establish a procedure to ensure that state government serves the public in the most beneficial, efficient, and cost effective way possible. That purpose can be served by:

. . . periodically reviewing and evaluating the operations of selected state agencies, determining the necessity, propriety and legality of the operations reviewed and evaluated, identifying inefficiency and ineffectiveness, and taking action to retain and maintain appropriate and effective governmental operations, remediate defective governmental operations, and terminate inappropriate or obsolete governmental operations. (K.S.A. 74-7284)

The law sets forth the procedure the Legislature must follow:

1. there must be a performance audit conducted by the Legislative Division of Post Audit of each agency reviewed;
2. agencies subject to review must be reviewed at least every eight years; and
3. an agency subject to review must be evaluated by a committee in each house and a public hearing must be held. The House and Senate Committees on Governmental Organization have conducted these evaluations in prior years.

The law lists factors to be taken into account by the committees conducting the review. They are:

1. whether all operations of the state agency have been authorized by the Legislature and whether the effects of such operations accord with legislative intent;

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ATTACHMENT 1

2. whether all operations of the state agency are being performed efficiently and effectively and whether any such operations could be performed in a more efficient, effective, or economical manner;
3. whether regulatory operations of the state agency are reasonably related to and are designed for the purpose of protection or benefaction of the public and have such protection or benefaction as a primary effect;
4. whether regulatory operations of the state agency could be performed in a less restrictive manner which could adequately protect the public;
5. whether regulatory operations of the state agency have the effect of directly or indirectly increasing the cost of any goods or services involved and, if so, whether the increase in cost is more harmful to the public than the harm which could result from the termination of such regulatory operations;
6. whether there is need for any change in the organization of the state agency or in any of its operations which would enable the state agency to fulfill its purposes in a more efficient, effective, or economical manner; and
7. whether the termination of any of a state agency's operations would significantly harm or endanger the rights, health, safety, or welfare of the public or result in the reduction or foreclosure of services required or desired by the public.

The possibility of terminating an agency as a consequence of its review exists under K-GOAL. (The Legislature can terminate any statutorily-created agency during any session.) But, unlike the Sunset Law that established in statute the day an agency would be abolished absent legislative action, K-GOAL creates a review schedule, not a termination schedule. Nothing in K-GOAL automatically abolishes a state agency.

Both the 1991 interim committee and the 1992 Legislature considered which agencies to subject to the K-GOAL review process. Some, but not all, agencies that formerly had been under the Sunset Law were placed on the K-GOAL list. Other agencies that had not been subject to the Sunset Law were made subject to review under K-GOAL. Pursuant to a 1994 amendment, the Act authorizes the Legislative Post Audit Committee to modify the statutory schedule. Action to change the review schedule requires at least seven affirmative votes of the Committee. Agency reviews cannot be deferred to legislative sessions occurring after the year 2000.

K-GOAL agencies and the years in which they were or will be reviewed follow:

- |      |   |
|------|---|
| 1993 | Department of Social and Rehabilitation Services<br>Capitol Area Security Patrol                                      |
| 1994 | Department of Administration<br>Department of Commerce and Housing  |
| 1995 | Kansas Water Office and Water Authority<br>Department of Wildlife and Parks (moved from 2000 by Post Audit Committee) |

- 1996 Department of Transportation  
State Board of Agriculture  
Department of Health and Environment (moved from 1995 by Post Audit Committee)
- 1997 Department of Revenue  
State Conservation Commission  
Kansas Public Employees Retirement System (KPERS)
- 1998 State Corporation Commission  
Department of Education
- 1999 Department on Aging  
Department of Human Resources
- 2000 Department of Corrections

None of the agencies reviewed under K-GOAL thus far have been scheduled for a future review. Therefore, those agencies are no longer subject to review under K-GOAL.

K-GOAL performance audits of agencies to be reviewed during the 1997 Session address the following questions:

- Conservation Commission
  - Are programs operated by the Conservation Commission effective at meeting the goals of the State Water Plan?
- Department of Revenue
  - Is the Department of Revenue effectively and efficiently collecting sales taxes?
  - Is the sales tax exemption program administered consistently, fairly, and according to state law?
- KPERS
  - How does KPERS compare to other public and private pension systems with respect to contributions, vesting provisions, and benefit levels?
  - How can Kansas provide more flexibility and options for state employees to invest their retirement moneys?



LEGISLATURE OF KANSAS  
**LEGISLATIVE DIVISION OF POST AUDIT**

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October 22, 1996

To: Members of the Kansas Legislature

This executive summary contains the findings, conclusions, and recommendations from our completed performance audit, *Reviewing the Conservation Commission's Effectiveness at Meeting the Goals Established Under the State Water Plan*.

The report also contains appendices showing how well two Conservation Commission programs--Non-Point Source Pollution and Watershed Dam Construction--did at meeting goals of the State Water Plan for fiscal year 1996.

This report includes several recommendations for ensuring that the goals in the Annual Implementation Plans for the State Water Plan better reflect water conservation needs throughout the State, and for ensuring that Commission programs meet the goals of those plans. It also contained recommendations to ensure that Commission projects are completed as designed, and that programs operate within established, published guidelines.

We would be happy to discuss the findings presented in this report with any legislative committees, individual legislators, or other State officials.

If you would like a copy of the full audit report, please call our office and we will send you one right away. We would be happy to discuss these recommendations or any other items in the report with you at your convenience.

Barbara J. Hinton  
Legislative Post Auditor

SENATE ELECTIONS &  
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**EXECUTIVE SUMMARY**  
**LEGISLATIVE DIVISION OF POST AUDIT**

**Question 1: Are Programs Operated by the  
Conservation Commission Effective at Meeting  
The Goals of the State Water Plan?**

**In fiscal year 1996, almost all the moneys spent on Commission-funded projects or activities were spent on areas identified as priorities in the annual State Water Plan.** ..... page 11  
*In this audit, we looked at three major programs for which counties receive Commission funding. Counties' spending on targeted priorities varied significantly from one river basin to another, but overall about 93% of the Water Resources Cost Share Program moneys—or more than \$4.5 million—went to meet priorities specified in the State Water Plan. Spending on priority activities for the Non-Point Source Pollution and Watershed Dam Programs was 86% and 100%, respectively.*

**The ways in which Annual Implementation Plans are assembled and spending decisions are made may not ensure that a high percentage of moneys always will be spent on priority needs.** ..... page 12  
*The Annual Plan identifies priority areas or projects designed to conserve the State's water resources, but it doesn't clearly rank them. As a result, there's no way to tell which items have the highest priority and should receive the most funding. Also, although county conservation district officials generally decide which projects actually will be carried out, they aren't formally involved in the process of developing annual priorities. Because of this "disconnection," county officials sometimes spent program moneys on water-related projects that they thought were important, but that weren't addressed in the Annual Plan. Conversely, they sometimes didn't spend any money for projects listed as priorities in the Annual Plan because they didn't consider them to be priority needs in their county.*

**Other reasons why priority areas sometimes weren't addressed—** ..... page 14  
*some counties hadn't met all the requirements for receiving funding for certain projects, particularly for non-point source pollution projects, and the voluntary nature of the Commission's programs meant there sometimes was little demand for funds in areas identified as priorities. We also noted the Legislature has earmarked certain moneys to be distributed to all conservation districts equally, which can limit the Commission's ability to direct moneys where they are most needed. Finally, no one at the State level systematically reviews program spending after the fact to see how well it addressed the water-related priorities identified in the annual State Water Plan.*

**The types of projects being funded by the Commission appeared to be the types of projects designed to meet State Water Plan goals.** ..... page 16  
*Although the Commission had approved only those projects or activities that it had previously reviewed and approved as having met the broad Water Plan goals, we noted a few problems. First, the Commission paid more than it should have in one project, and is now recovering that overpayment. Second, we saw some instances where county conservation district secretaries or other support staff had certified that septic tank projects had been properly completed, even though they had no qualifications for making that determination, and no other qualified per-*



son—such as a county sanitarian—had inspected the project. Third, the Commission's administrative regulations don't reflect current practices relating to the Watershed Dam Construction Program, which resulted in some projects being funded at higher levels than the amounts described in regulations. Finally, in two cases the Commission provided a higher level of supplemental funding for watershed dam projects than its guidelines allow.

**Neither the State Water Plan nor the Kansas Water Office requires water agencies to track program effectiveness; however, the Commission does some effectiveness measurement.** *The Plan generally doesn't contain specific benchmarks for measuring such things as how much water should be conserved, how much land should be saved because of erosion-control practices, or how much water quality should be improved. Commission staff gather some information from county conservation districts regarding program benefits—such as the tons of soil per acre saved because of erosion-control projects—but they told us these figures often are overstated because counties don't accurately report the information.* ..... page 19

**The Commission's programs could be transferred to other State agencies but there are pros and cons to doing so.** *In some cases, the Department of Health and Environment, the Department of Agriculture's Division of Water Resources, and the Department of Wildlife and Parks operate programs that are similar to the Commission's programs. Although more than half the Commission's expenditures are for programs that no other agency currently is involved in, these programs probably could be carried out by one or more other State agencies involved in water-related activities. We didn't find a compelling reason for a transfer, and it's unclear whether significant savings could be achieved. Abolishing the Commission could have the advantages of streamlining government by concentrating water-related programs in fewer agencies, and possibly saving money on some staff positions. Possible disadvantages are that the Commission's programs as a whole don't fit neatly into any one existing State agency, the appointed Commission—the agency's governing body—probably would be dissolved, which would reduce the involvement of local conservation districts in policymaking decisions that affect them, and the State's large agricultural base would no longer have a single agency focused on soil conservation.* ..... page 20

**Conclusion** ..... page 24

**Recommendations** ..... page 24

**APPENDIX A: Fiscal Year 1996 Comparison of Water Plan Goals To Actual Spending in the Non-Point Pollution Control and Watershed Dam Construction Programs** ..... page 27

**APPENDIX B: County Composition of Kansas River Basin Areas** ..... page 33

**APPENDIX C: Agency Response** ..... page 39

This audit was conducted by Sharon Patnode, Cindy Lash, and John McIntyre. If you need any additional information about the audit's findings, please contact Ms. Patnode at the Division's offices. Our address is: Legislative Division of Post Audit, 800 SW Jackson Street, Suite 1200, Topeka, Kansas 66612. You also may call (913) 296-3792, or contact us via the Internet at: [LPA@PostAudit.ksleg.state.ks.us](mailto:LPA@PostAudit.ksleg.state.ks.us).

## **Reviewing the Conservation Commission's Effectiveness at Meeting the Goals Established Under the State Water Plan: A K-GOAL Audit**

The Conservation Commission is the State agency responsible for protecting and enhancing the State's natural resources. The Commission employs 14 staff and has a budget of about \$11 million. Each year, slightly more than half the moneys in the State Water Plan Fund go to the Commission to fund programs aimed at helping local government entities—primarily county conservation districts—conserve the State's soil and water.

The State Water Plan contains recommendations for the Conservation Commission to follow to help achieve the Plan's broad goals. Annual implementation plans also contain more specific shorter-range goals for the Commission. Legislators have expressed an interest in knowing whether the Commission's programs are effective at achieving the goals set out in the State Water Plan.

The Kansas Governmental Operations Accountability Law (K-GOAL) requires Legislative Post Audit to conduct a performance audit of specified State agencies each year for the next several years. The purpose of these audits is to periodically review the operations of the selected agencies, determine the necessity, propriety, and legality of their operations, identify areas of inefficiency and ineffectiveness, and provide information to allow the Legislature to take action to retain appropriate and effective governmental operations, or to terminate inappropriate or obsolete governmental operations.

This audit addresses the following question:

- 1. Are programs operated by the Conservation Commission effective at meeting the goals of the State Water Plan?**

To determine how effective the Commission's programs are at meeting State Water Plan goals, we interviewed Commission staff, representatives of county conservation and watershed districts, and members of the State's 12 river basin advisory committees. We talked to staff in other water agencies—the Kansas Water Office, Department of Health and Environment, Division of Water Resources in the Department of Agriculture, and the Department of Wildlife and Parks. We also reviewed the State Water Plan's 1996 Annual Implementation Plan and expenditure data for three of the Commission's largest programs. Finally, we reviewed a sample of project files from those three Commission programs. In doing this work, we followed all applicable government auditing standards.

In general, we found the Conservation Commission awarded program moneys for the types of projects and in the areas of the State that were targeted as priorities in the State Water Plan. In a few instances, moneys were spent on things that weren't listed as priorities. And in a few other instances, no moneys were spent in areas that were listed as priorities. The way in which the Annual Implementation Plan is developed and projects are approved may not ensure that compliance with Water Plan goals will always be as high in the future. This is primarily because the people who are setting the priorities are different from the people who are deciding where the

moneys actually are spent. In other areas, we found that projects that are constructed with Water Plan moneys generally are meeting program requirements. We also found that, while the Commission collects some information about whether the moneys being spent are effective at meeting State Water Plan goals, part of that information may not be reliable. Finally, we found that although the Commission's programs could be transferred to other State agencies, there are pros and cons to doing so.

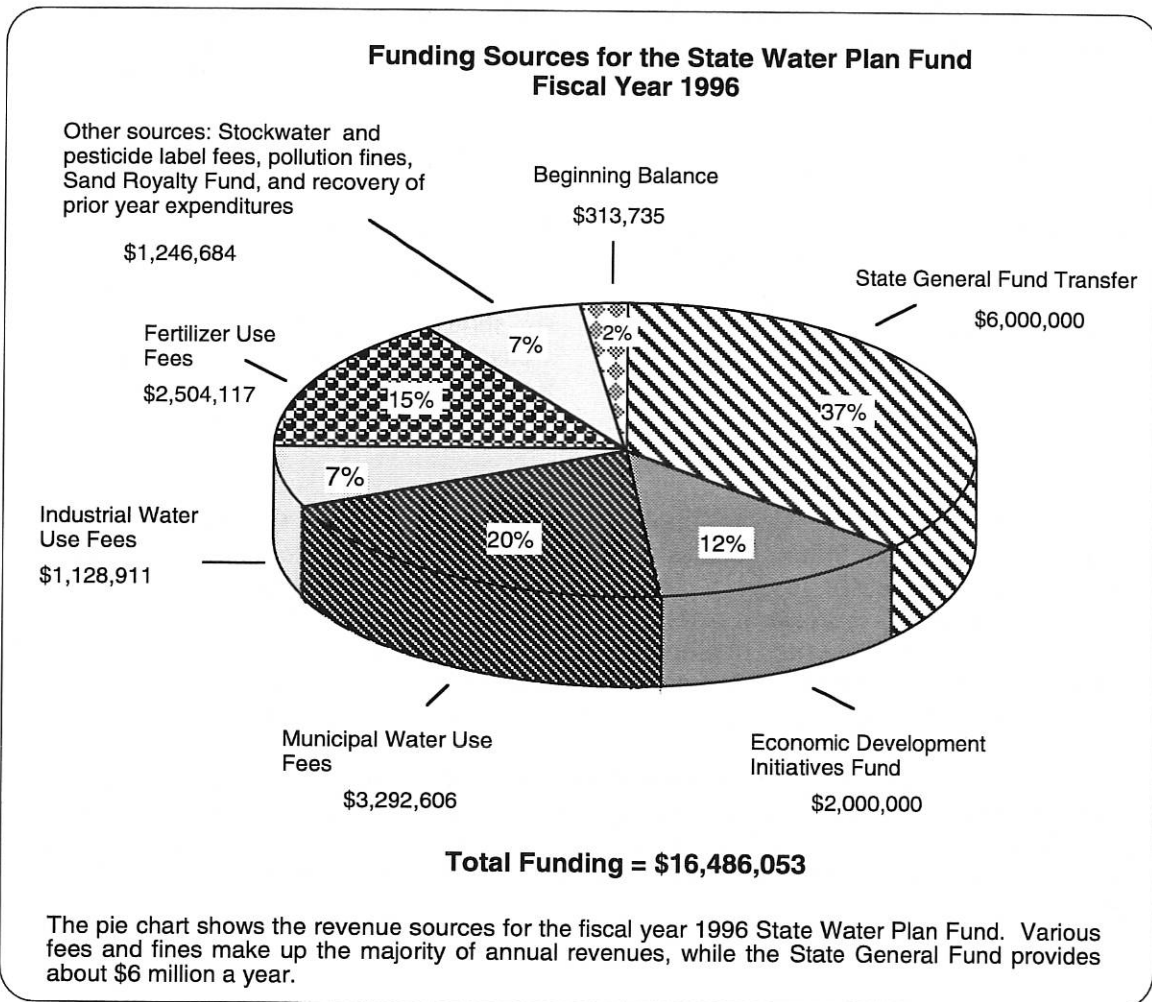
These findings are discussed following an overview of the State Water Plan and the Conservation Commission.

## Overview of the Kansas Water Plan and the State Conservation Commission

The Kansas State Water Plan serves as the master planning document for the State and its water resources. The Water Plan provides broad goals for State agencies on preserving and protecting Kansas' water resources.

### The Kansas Water Plan Was First Developed in 1985 To Provide "Comprehensive, Continuous, and Coordinated" Planning For the State's Water Resources

Because so many agencies are involved with water issues in Kansas, and because the State is so dependent on its water resources, the Legislature began requiring the Kansas Water Office (the State's water planning agency) to prepare a Water Plan "for the management, conservation, and development" of water resources in Kansas. The first Water Plan was prepared in 1985. Parts of the Water Plan are updated each year to reflect new water resource priorities.



The State Water Plan contains broad goals for Kansas' water resources. In general, those broad goals are aimed at:

- "managing" the State's water resources by maintaining what the State has, and acquiring new water supplies
- conserving and preserving the State's water resources
- assuring the continued quality of the State's water resources
- protecting water resources for fishing and other wildlife and recreational purposes
- providing for the priority needs of the State's 12 river basins

**Funding for the implementation of the State Water Plan is provided from the State Water Plan Fund.** This Fund was created in 1989 to provide money for water-related projects, programs, and technical assistance. As the pie chart on the previous page shows, the Fund receives the largest share of its money from the State General Fund.

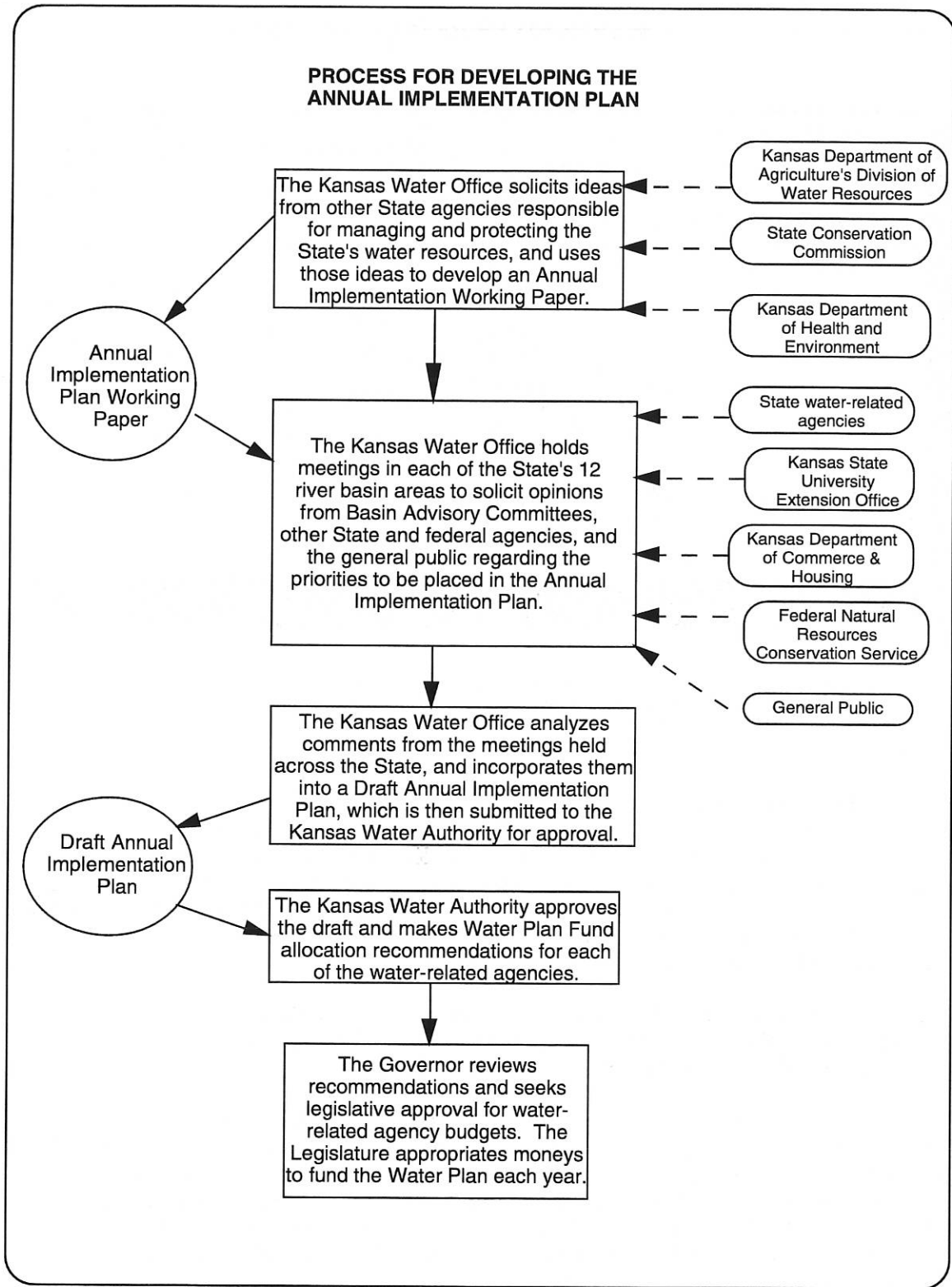
**Each year, an implementation plan with specific priorities and goals is developed to target the use of Water Plan Fund moneys.** Because the goals of the State Water Plan are relatively broad in nature, the Kansas Water Office is responsible for developing an annual plan for achieving those goals. The annual plan is more specific in nature, and targets moneys for certain types of projects in certain areas of the State. The following example illustrates the different nature of the two plans:

<b>Water Plan Goal</b>	<b>Annual Implementation Plan Goal</b>
The State should identify local priority areas needing Non-Point Source Pollution Program assistance and provide assistance in those areas.	Non-Point Source Pollution Program moneys spent by the Conservation Commission in the Lower Arkansas Basin should be targeted to the following areas: Equus Beds Aquifer, Cheney Reservoir, Reno and Kingman counties, and Wellington Reservoir drainage

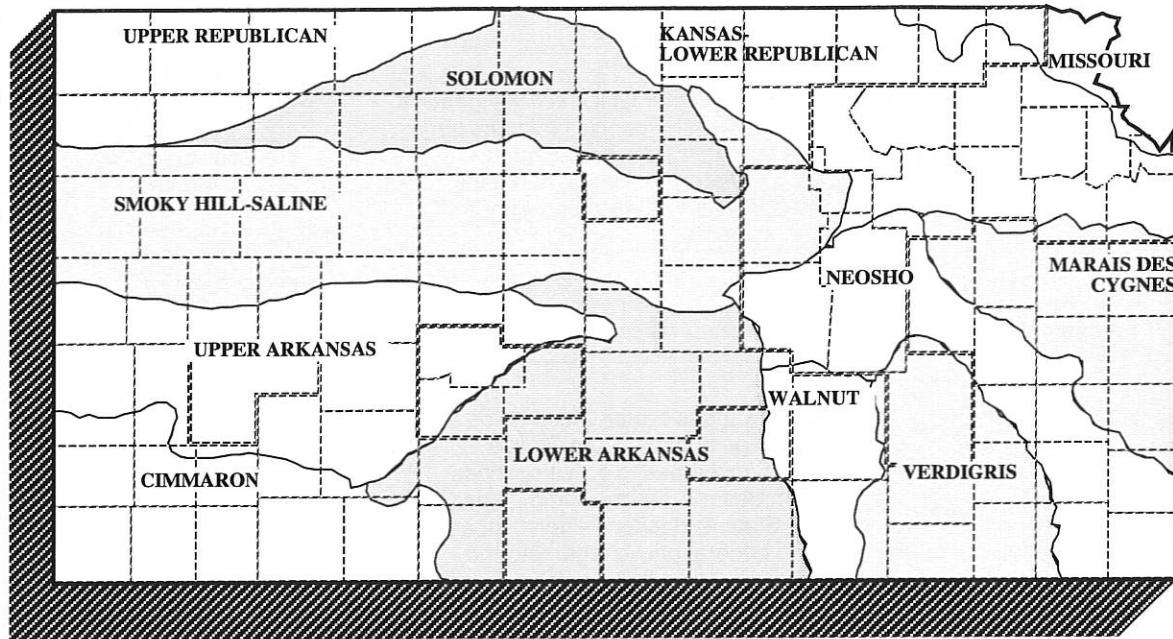
In developing the Annual Implementation Plan, the Water Office solicits ideas and input from other State agencies involved in water management, the State extension service, river basin advisory committees, and the general public. The basin advisory committees, representing the State's 12 river basins, help the Water Office identify basin priority issues that should be addressed in the Annual Implementation Plan. These basin committees comprise home and industrial water users, municipalities, irrigators, and representatives of wildlife and recreation interests.

The goals of the Annual Implementation Plan generally are set out by river basin, although specific counties or geographic areas may be addressed. The map on page 6 shows the locations of the State's 12 river basins. The chart on the following page provides more information on how the Annual Implementation Plan is developed.

**PROCESS FOR DEVELOPING THE ANNUAL IMPLEMENTATION PLAN**



## MAJOR RIVER BASINS IN KANSAS



The map shows the 12 State-wide river basin areas. Counties may be divided between several basins depending upon the river drainage areas in those counties. These basins serve as the geographic focal point for the State Water Plan.

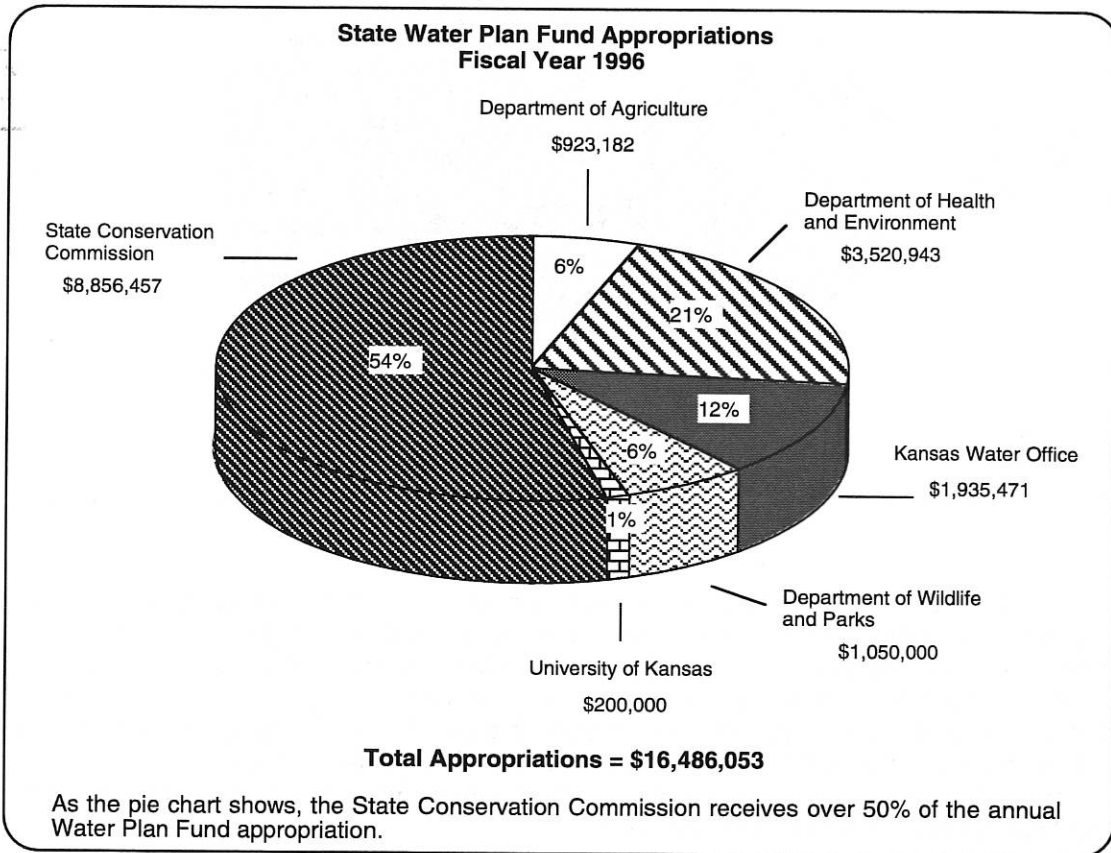
Once the Water Office has finalized the Annual Implementation Plan, it submits it to the Kansas Water Authority. The Authority, which consists of 13 members appointed by the Governor and Legislature and 10 other water-agency representatives, makes recommendations to the Governor and the Legislature about the amount of money each State agency should receive from the State Water Plan Fund. As the pie chart on the next page shows, the Conservation Commission received by far the largest share of the Water Plan Fund in fiscal year 1996.

### **The State Conservation Commission Received About 54% of the Moneys from the State Water Plan Fund in Fiscal Year 1996 To Finance Water Conservation and Protection Projects**

The Commission was created in 1937 to protect and enhance Kansas' natural resources through programs that assist local governments and private citizens. It's governed by a nine-member board. Five members are elected by the conservation district supervisors from throughout the State, two are ex-officio members from the Cooperative Extension Service at Kansas State University, and two are appointed from the Kansas Department of Agriculture and the U.S. Department of Agriculture's Natural Resource Conservation Service.

The Commission has a staff of 14, who administer a total of nine programs, as follows:

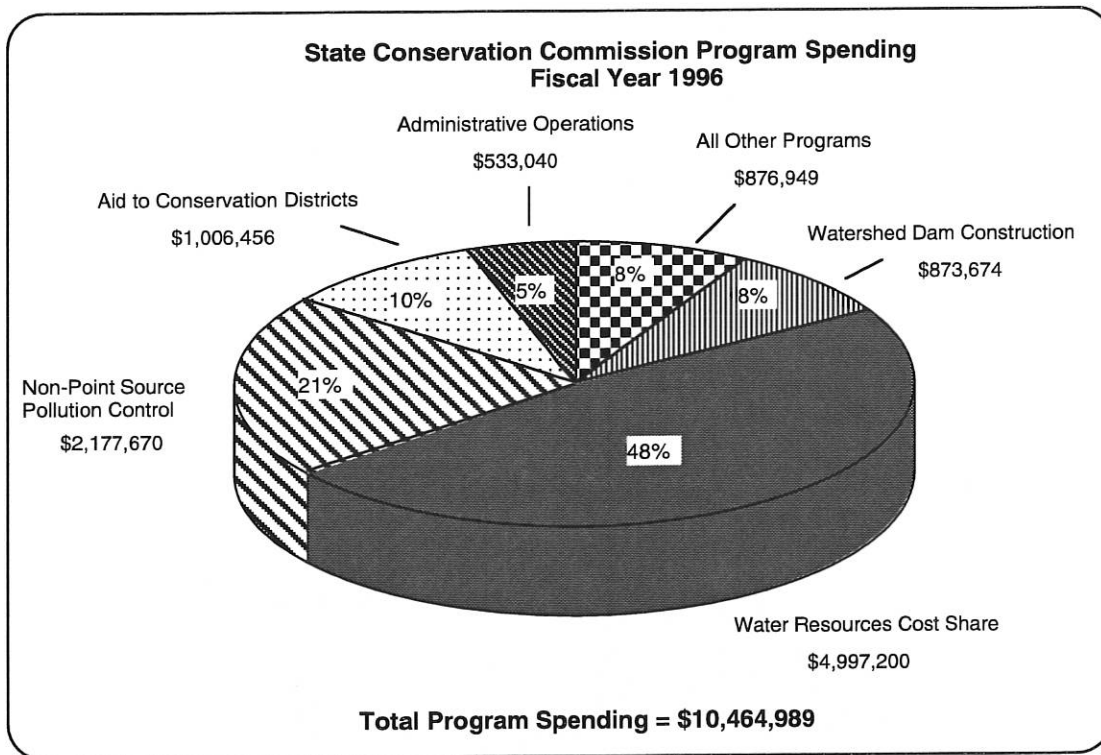
- Water Resources Cost-Share Program: Provides funds to landowners who install enduring water conservation structures, such as grassed waterways, terraces, and irrigation system improvements.
- Non-Point Source Pollution Control Fund: Provides funds for technical assistance to implement county non-point source pollution management plans, and provides financial assistance to landowners who put pollution control measures in place to protect or restore surface and groundwater quality.
- Aid to Conservation Districts: Provides matching funds up to \$10,000 for local conservation district expenses, such as maintaining a local office, acquiring clerical help, and carrying out information and education activities.
- Watershed Dam Construction: Provides funding for a portion of construction and engineering costs for dams constructed to protect areas from flooding or stabilize the soil against erosion.
- Watershed Planning Assistance: Supplements federal technical planning assistance by providing funds for consulting and engineering services for the creation and promotion of watershed districts.
- Multipurpose Small Lakes Program: Provides a portion of the funds to local entities wanting to construct lakes that provide flood control, water supply, or recreation.





- Riparian and Wetland Protection: Provides funds to help landowners protect or restore streambank vegetation or wetland areas.
- Land Reclamation Program: Reclaims mine sites after all mining operations are completed, except for coal, oil, gas, and mining operations lying outside the high banks of streams and rivers.
- Benefit Area Program: Reimburses watershed districts for expenses when more than 20% of the benefits of a flood control project are outside the district's taxing boundaries.

Funding sources for these programs are somewhat mixed. Administrative operations are funded from the State General Fund. The Land Reclamation Program is funded from a special fee fund paid by mine owners. The remaining programs are funded directly from the State Water Plan Fund.



The majority of the Commission programs use a cost-sharing method to fund a portion of each project's costs. Although the Commission provides funding for a portion of each approved project's costs, decisions about what projects actually are built are made by county conservation district boards of supervisors. Each county has a conservation district, which is responsible for developing plans for the conservation of soil and water resources in the county. Project applications aren't made directly to the Commission, except for the Watershed Dam Construction Program and the Multipurpose Small Lakes Program.

Providing financial assistance to local conservation and watershed districts is the primary duty of the Conservation Commission. Other major responsibilities of the Commission's staff include providing training to conservation district employees and elected supervisors, approving project work plan designs, administering district cost-share programs, and developing program guidelines and regulations. As the chart on the previous page shows, in fiscal year 1996 the Commission spent a total of \$10.5 million. The vast majority of that money (95%) was used to fund projects under its various programs.

## **Are Programs Operated by the Conservation Commission Effective at Meeting the Goals of the State Water Plan?**

For the programs we reviewed, we found that the Conservation Commission awarded program money for the types of projects and in the areas of the State that were targeted as priorities in the State Water Plan. In a few instances, money was spent on things that weren't listed as a priority in the Water Plan, and in other instances no money was spent in areas that were listed as a priority. The way in which the Annual Implementation Plan is developed and projects are approved may not ensure that compliance with Water Plan Goals will always be as high in the future. This is because the people who are setting priorities are different from the people who decide where the money is spent.

We also found that projects that are constructed with Water Plan moneys generally are meeting program requirements. We found that while the Commission collects some information about whether the money it spends is effective at meeting State Water Plan goals, part of that information may not be reliable. Finally, we found that although the Commission's programs could be transferred to other State agencies and the Commission abolished, there didn't appear to be a compelling reason to do so and there are pros and cons to taking this action.

### **Our Reviews Focused on Three of the Commission's Major Programs, And Looked at Effectiveness from Two Perspectives**

As described in the Overview, the Conservation Commission is responsible for nine programs. Our reviews and testwork focused on the three of those programs that accounted for about 77% of the Commission's total expenditures for fiscal year 1996. Each program we reviewed is described below.

- **Water Resources Cost Share Program** (\$5 million in 1996) - Provides money to landowners to pay part of the cost of building water-conservation and erosion-control structures such as terraces, grassed waterways, and irrigation system improvements.
- **Non-Point Source Pollution Program** (\$2.2 million in 1996) - Provides money to landowners to cover part of the cost of constructing pollution-control projects, such as failing septic systems and livestock waste-control facilities.
- **Watershed Dam Construction Program** (\$900,000 in 1996) - Provides money to watershed districts to pay part of the cost of constructing flood detention and grade stabilization dams.

We measured each program against the specific priorities and targets contained in the fiscal year 1996 Annual Implementation Plan, rather than the State Water Plan itself. We chose the Annual Implementation Plan as our yardstick in part because the goals of the State Water Plan are too broad to effectively measure, and in part because the Annual Implementation Plan is the document the State Conservation Commission uses to guide it in administering its programs on a year-by-year basis. Because the Annual Implementation Plan isn't developed by the Commission, the Commission's role—once it receives the Plan from the Kansas Water Office—is to

try to match program funding with Plan target areas.

We looked at the effectiveness of each program at meeting the goals of the Plan from two perspectives:

- Was money actually being spent in the areas identified as priorities in the Annual Implementation Plan?
- Were the types of projects being funded by the Commission the type of projects that would bring about the desired results described in the Annual Implementation Plan?

For each program, we worked with Commission staff to identify the Plan's goals for the types of projects or activities to be funded, and the areas of the State where each of these types of projects were considered to be a priority. The following sections describe our findings.

**In Fiscal Year 1996, Almost All the Moneys Spent on Commission-Funded Projects or Activities Were Spent on Areas Identified as Priorities in the Annual Implementation Plan**

For the three programs we reviewed, we found only a few instances where moneys were spent on non-priority areas, or where no moneys were spent on areas identified as priorities. The grid below illustrates this for the Water Resources Cost Share Program.

PRIORITIES/ TOTAL \$ SPENT	KANSAS RIVER BASINS												Total \$ Spent
	Lower Arkansas	Upper Arkansas	Cimarron	Kansas-Lower Republican	Marais des Cygnes	Missouri	Neosho	Upper Republican	Smoky Hill- Saline	Solomon	Verdigris	Walnut	
CONTROLLING EROSION	\$272,999	\$253,767	\$92,019	\$999,427	\$238,873	\$363,942	\$207,690	\$100,479	\$439,344	\$540,622	\$69,701	\$55,624	\$3,634,487 (75% of total program spending)
LIVESTOCK WATER SUPPLY DEVELOPMENT	\$52,156	\$20,160	\$46,970	\$56,316	\$6,280	\$8,135	\$52,729	\$37,488	\$60,628	\$64,456	\$56,233	\$2,572	\$464,123 (10% of total program spending)
IRRIGATION SYSTEM IMPROVEMENTS	\$84,320	\$173,943	\$262,257	\$5,423	\$0	\$0	\$0	\$43,834	\$74,097	\$12,125	\$0	\$196	\$656,195 (13% of total program spending)
WETLAND AND STREAMBANK RESTORATION	\$2,259	\$19,066	\$1,055	\$1,667	\$958	\$493	\$1,059	\$541	\$4,762	\$2,843	\$0	\$0	\$34,703 (.7% of total program spending)
NON-POINT SOURCE POLLUTION	\$17,812	\$5,271	\$785	\$10,215	\$0	\$495	\$50	\$1,582	\$2,564	\$12,430	\$0	\$199	\$51,403 (1% of total program spending)
<b>TOTAL \$ SPENT IN BASINS</b>	<b>\$429,546</b>	<b>\$472,207</b>	<b>\$403,086</b>	<b>\$1,073,048</b>	<b>\$246,111</b>	<b>\$373,065</b>	<b>\$261,528</b>	<b>\$183,924</b>	<b>\$581,395</b>	<b>\$632,475</b>	<b>\$125,934</b>	<b>\$58,591</b>	<b>\$4,840,910</b>
<b>% SPENT IN EACH BASIN ON PRIORITY AREAS</b>	<b>95%</b>	<b>91%</b>	<b>88%</b>	<b>93%</b>	<b>97%</b>	<b>98%</b>	<b>80%</b>	<b>100%</b>	<b>99%</b>	<b>100%</b>	<b>55%</b>	<b>95%</b>	

\* Dollars represented here don't include more than \$160,000 paid to the U.S. Department of Agriculture for technical assistance.

The shaded boxes in the grid signify activities in each of the State's 12 river basins that were considered to be a priority, according to the 1996 Annual Implementation Plan for the State Water Plan. If a box is shaded on the grid and no money is shown, this signifies a priority area that didn't get addressed. Likewise, if an unshaded box shows a dollar amount, that represents money that was spent on activities that weren't specifically listed as a priority in the Plan. Although spending on priorities varied significantly from basin to basin, overall about 93% of the moneys spent in fiscal year 1996 on the Water Resources Cost Share Program, or more than \$4.5 million, went to meet priorities specified in the Plan. Only about 7% of the money was spent on non-priority items.

When we reviewed spending on priority activities for the Non-Point Source Pollution Program and the Watershed Dam Program, we found that a high percentage was spent on priorities listed for these programs as well—86% and 100% respectively. Grids for those two programs can be found in Appendix A.

**The Ways In Which Annual Implementation Plans Are Assembled  
And Spending Decisions Are Made  
May Not Ensure That a High Percentage of Moneys  
Will Always Be Spent on Priority Needs**

Although almost all Water Plan moneys for the three programs we examined were spent in targeted areas, we found a number of weaknesses that make it less likely those moneys always will be spent on the greatest needs identified in the State Water Plan. Specifically, we found the following:

- The Annual Implementation Plan for the State Water Plan identifies needs, but doesn't rank them.
- The way that moneys are distributed and spent doesn't ensure that they are spent on the greatest needs.
- No one at the State level systematically reviews program spending to see how well it coincides with the goals of the State Water Plan.

Each of these areas is discussed in more detail in the following sections.

**The Annual Implementation Plan identifies needs but doesn't clearly rank them.** As mentioned earlier, we used the Annual Implementation Plan as our guide to assess whether program expenditures were meeting State Water Plan goals because the goals contained in the State Water Plan were too general to be effectively measured, and they didn't contain annual priorities. We found that although the Annual Implementation Plan lists activities that are priorities in each of the State's 12 river basins, it fails to rank those priorities between river basins, or within a particular river basin.

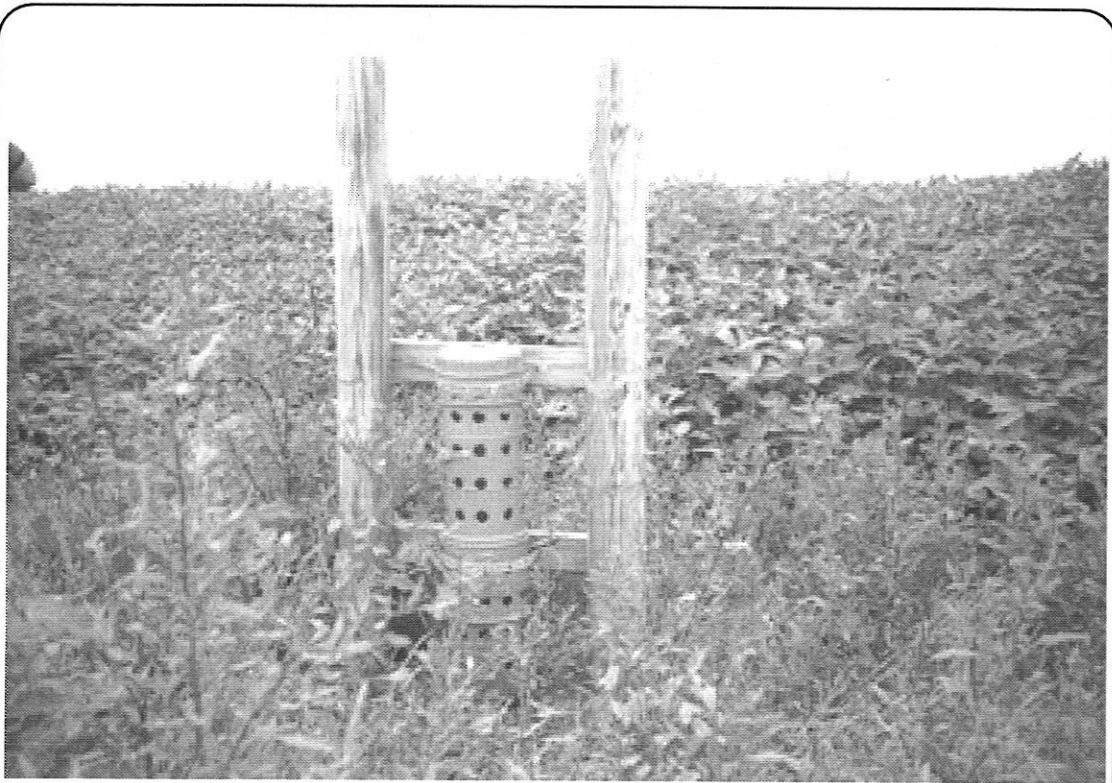
For example, the 1996 Plan lists erosion control as a priority in all river basins. But it doesn't indicate whether one river basin has a higher need for erosion control projects than another.

The 1996 Plan also identified the following priorities for the Water Resources Cost Share Program within the Lower Arkansas river basin.

- erosion control
- livestock water supply development
- irrigation system improvements

When we reviewed the money spent from that program in the Lower Arkansas river basin, we found that 64% was spent on erosion control, and only 12% was spent on irrigation. Without some ranking to say which priority area is most important in that basin, we could only say that the money was spent on an identified need, but we couldn't assess whether the moneys were spent on the most significant need.

Kansas Water Office officials told us they are attempting to target resources on the State's areas of greatest need in future Annual Implementation Plans, although the concept of ranking priorities hasn't been done. For example, the 1998 Plan shifts the historical focus of the Water Resources Cost Share Program from controlling erosion to increasing irrigation system improvement funding and improving water quality. It does so by setting out these activities as objectives in the Plan.



The Riser (the canister between the two poles) pictured here collects water stored between terraces built in croplands. Terraces elevate portions of a field to reduce erosion and prevent flooding. Risers are stationed between terraces to drain standing water away from the fields. The terraces are used in conjunction with Risers to drain fields of water after large storms or other severe weather events. This type of practice is funded through the Water Resources Cost-Share Program administered by the Commission.

The 1996 Governor's Water Quality Initiative, designed to clean up water in the Kansas-Lower Republican Basin, is another effort to target Water Plan funds to an area of particular need. The Governor's Initiative is a cooperative effort between State water agencies and a number of private-sector businesses focusing on eliminating a variety of pollutants from the Delaware, Big Blue, and Kansas Rivers—the source of water for about 30% of all Kansans. While this Initiative wasn't specifically mentioned in the Annual Implementation Plan, the rivers it affects were noted as target areas for non-point source pollution work.

**The way moneys are distributed and spent doesn't ensure that they will be spent on the most significant needs.** Even though the Conservation Commission is the agency that gives out most of the Water Plan Fund moneys, and is responsible for ensuring that moneys are spent on Plan goals, we found several reasons why the Commission can't necessarily be effective at directing where moneys are spent. Those reasons are underlined below.

The people who make the actual decisions about where the money will be spent aren't always directly involved in developing the Annual Implementation Plan, and their priorities aren't always the same as the Plan's priorities. Priorities listed in the Annual Plan generally are established by the Water Office and Water Authority, with input from the other water-planning agencies, the extension service, and the basin advisory committees from the State's 12 river basins. County conservation district officials aren't officially involved in this process. Yet, they are the officials who decide which actual projects will be carried out with the Commission's Water Plan moneys. Consequently, county priorities and the Implementation Plan priorities may not be the same.

During this audit, we talked with many officials from county conservation districts who mentioned that the process for establishing the Annual Implementation Plan was disconnected from the process they go through in setting spending plans for Commission-funded programs. In fact, county people we talked to who were directly involved with establishing and meeting county priorities told us they either weren't involved with, or weren't aware of, the priorities established in the Plan. One county official told us there is no active communication between county conservation offices—those who decide how to spend Program moneys—and the basin advisory committees—those who establish the Annual Implementation Plan goals.

As described below, this “disconnection” apparently contributed significantly to those instances in which moneys weren't spent on areas targeted as priorities:

- *Some county officials told us they viewed some things as priorities that weren't reflected in the Annual Plan.* For example, under the Water Resources Cost Sharing Program, a county official in the Verdigris Basin told us livestock grazing was significant in his county and developing livestock water supplies was a priority, even though the Annual Plan didn't list it as a priority.
- *Some county officials told us they had initially limited assistance to targeted areas, then eventually opened applications to anyone in the county.* For example, in the Smoky Hill Saline River Basin, the 1996 Annual Implementation Plan states the Smoky Hill River is an area to be targeted with Non-Point Source Pollution Program moneys. When we asked a county conservation

district official why the county had spent significant moneys in nontargeted areas, she told us that area had been targeted for assistance in the early 1990s, and priority given to landowners in that area. After two years, the Program was opened to countywide applications; however, priority is still given to applicants from the Smoky Hill area.

Without active county involvement in developing the annual plans, then, Plan goals may include priorities that already have been addressed, may exclude areas counties have found to be problems, or may not make counties aware of concerns related to the larger river basin of which the county is a part. At a minimum, the lack of county involvement could result in a lot of effort being put forth to prepare a document that ultimately is meaningless to those who actually implement many of the Plan's recommendations—the county conservation districts.

The Legislature has earmarked certain moneys to be distributed to all conservation districts equally, which limits the Commission's ability to direct the money to where it is most needed. The Commission's Annual appropriation for the Water Resources Cost Share Program sets aside an amount (\$2.7 million in fiscal year 1996) that will be allocated to each of the State's 105 conservation districts. The appropriation act states that 60% of that money should be divided equally among all conservation districts for the construction of water conservation structures. This money can be spent as the counties desire on projects meeting the general Water Plan goal of conserving water. The remaining 40% of the money is distributed to all conservation districts based on a formula which gives more money to counties with high erosion potential and low rainfall. The Commission has advocated this approach because it assures every county conservation district receives some moneys to carry out soil and water conservation programs. However, this approach does limit the ability of the Commission to target the majority of Program funds to priority areas.

Sometimes there is little demand for funds in areas the Plan has identified as a priority. We asked some county conservation district officials why so little money had been spent in some areas targeted as priorities in the Annual Implementation Plan. They told us that the programs are voluntary and assistance is provided only to landowners who apply for it. They told us few or no applications came from the priority areas, so applications were solicited countywide. Counties have a strong incentive for distributing Program moneys—if they don't give out moneys within the first few months following the initial allocation, the Commission withdraws the funds and reallocates them to other counties that have committed all the funds they previously received.

Officials from three county conservation districts told us they distributed moneys on a first-come, first-served basis, with no emphasis on any priority areas. For example, these counties advertise programs and assist those applicants who first apply, until money runs out. One county official told us his county has completed the desired amount of erosion control projects on highly erodible land, leaving enough Program moneys to fund nearly all applications it received. It chose to accept applications on a first-come, first-served basis.

Some counties hadn't met all the requirements needed to allow them to get funding for certain projects. This was most common in the Non-Point Source Pollution Program, where counties must have approved non-point source pollution man-



agement plans in place before the Commission will allocate any money to them. The Annual Implementation Plan listed three areas in the Solomon Basin—Phillips, Smith, and Osborne counties—as priority areas. However, none of those counties has a non-point source pollution management plan. It is the responsibility of each county to develop these plans.

**No one at the State level systematically reviews program spending after the fact to see how well it addressed needs identified by the State Water Plan.** The primary review done by Commission staff occurs before moneys are spent. The Commission sends county conservation district officials lists of the types of projects or activities that will be eligible for program funding each year. The conservation districts submit project proposals to the Commission, which show the types of projects or activities they propose to undertake during the year.

Commission staff review these proposals to make sure they include only those things that meet the broad goals of the Water Plan. Commission staff don't review how or where the county conservation officials actually spend the money. Commission staff told us there has been no need to systematically assess program spending over the past few years because the majority of program funds have been targeted to one area--treating highly erodible land--and virtually all of the Commission's moneys went for erosion control. However, in fiscal year 1996, other priority areas were added. The Commission hasn't made an assessment of how well program expenditures met Water Plan goals for fiscal year 1996. As a result, they can't know whether the money was actually spent in the areas targeted as priorities in the Annual Implementation Plan. Without this type of information, the Commission can't effectively adjust its future funding decisions to allocate more money to targeted needs that haven't been addressed, and less money to those areas that have been addressed.

### **The Types of Projects Being Funded by the Commission Appeared To Be the Types of Projects Designed To Meet State Water Plan Goals**

We reviewed a sample of 64 projects to determine whether they met Water Plan goals and Commission requirements. As part of our review, we looked for the following things:

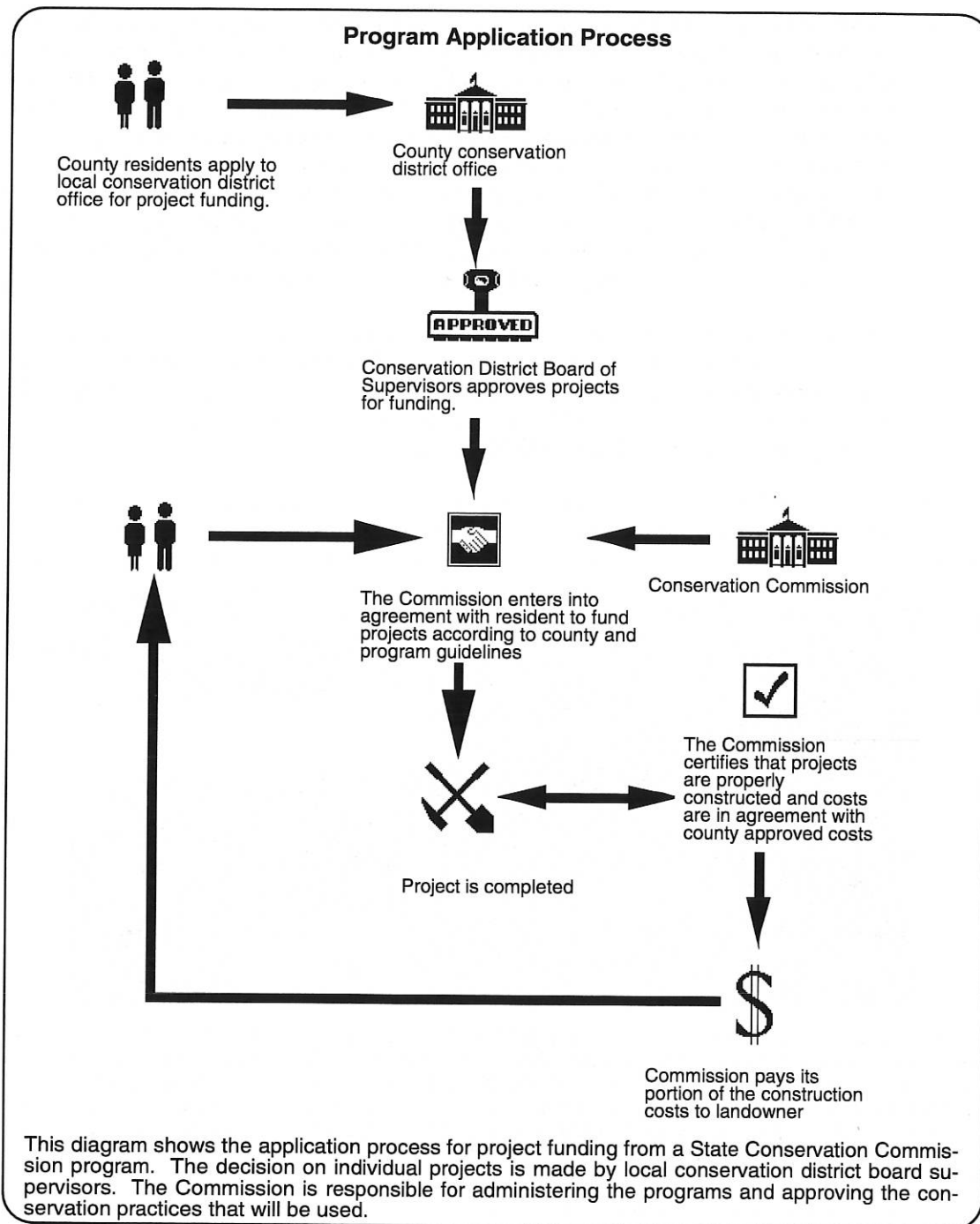
- Did projects meet Water Plan goals?
- Were local matching funding requirements met?
- Were projects completed as planned?
- Were projects certified as completed by a qualified individual?

In general, we found the following:

- *The Commission was approving only those projects or activities that had been included on county plans previously reviewed and approved by the Commission as having met Water Plan goals.* For example, we reviewed a variety of project types, including terraces, waterways, and septic tank improvements. We found no instances where a project was completed that hadn't been included on a county's proposed project plan approved by the Commission.
- *The types of project being approved were related to the broader goals of the State Water Plan.* We looked to see if counties were constructing projects

that didn't seem related to Water Plan goals, such as constructing buildings, etc. All projects included in our review were projects that could meet broad Water Plan goals.

- *The Commission paid more than it should have in only one project under the Non-Point Source Pollution Program.* Under this Program, the landowner is required to pay a portion of the project based on an average project cost, or the actual cost whichever is smaller. In this case, county staff deliberately miscal-



culated the amount owed by the Commission. The Commission is now recovering the overpayment, about \$300, and the responsible employee no longer works for the county conservation district.

- *The approved projects all had been completed before the Commission paid, and the projects that were completed were, in fact, the ones that had been funded.* We found no instance where a project type changed from the initial application to the completion certification.
- *In all cases, the persons certifying that the work was completed met the Commission's qualification requirements.* In most cases, the people doing the certifying were conservation district staff. However, we questioned whether some of those people should have been approved to make those certifications. For example, in some instances we noted that a secretary or other support staff had certified that septic tank projects had been properly completed, even though they had no qualifications for making that determination, and no other qualified person—such as a county sanitarian—had inspected the project and certified that it was okay. In these cases, the Commission should obtain additional certification that the project was completed as designed.
- *The Commission's administrative regulations are out of date, and don't reflect current practices relating to the Watershed Dam Construction program.* The Commission's administrative regulations set the maximum amount for dam construction at \$90,000, but the program guidelines allow maximum funding of \$120,000 or \$150,000 for certain dams.
- *The Commission has not adhered to its program guidelines for supplemental funding requests.* Supplemental requests by watershed districts for additional



The Watershed Dam pictured above has a 269 acre drainage area and controls flooding by keeping the creek's water level constant throughout the year. The pond created by the dam is also a livestock water supply. Watershed districts apply for State Conservation Commission cost-share funding for dams in order to control flooding and create livestock watering ponds. This dam was designed to last fifty years and will eventually silt in and create a wetland area. The Conservation Commission paid \$86,000 for its portion of this dam's costs.

funding after project completion. The Watershed Dam Construction Program guidelines allow supplemental funding requests of up to 10% of the total estimated construction costs. In two cases, the Commission provided supplemental funding that equalled the total estimated construction and engineering costs.

Finally, within the limited time frame of this audit, we couldn't visit project sites to see if work had been completed. However, we talked with officials of the federal National Resources Conservation Service in two areas of the State covering 33 counties, and found that regular spot checks of federal and State projects are done to certify whether projects are completed as designed.

Projects spot-checked include most of those constructed under the Water Resource Cost Share Program, and some under the Non-Point Source Pollution Program. (It doesn't include septic tank improvements.) Federal officials told us they found no significant problems in their reviews.

**Neither the State Water Plan nor the Kansas Water Office  
Requires Water Agencies to Track Program Effectiveness;  
However, the Commission Does  
Some Effectiveness Measurement**

We expected that programs designed to preserve the State's soil and water would have quantifiable goals accompanying them so program administrators could periodically assess success at meeting those goals. However, the State Water Plan generally doesn't contain specific benchmarks for measuring how much water has to be conserved, how much land should be saved because of erosion control practices, or how much water quality should be improved. In addition, it doesn't set timeframes by which goals should be accomplished.

According to a Water Office official, that Office is currently developing more quantifiable goals and outcomes for the State Water Plan and methods to determine whether implementation of the Plan has improved the condition of the State's water resources.

We talked to Commission staff to determine what information they collected to demonstrate progress toward desirable outcomes intended for their programs. They reported the following information in their budget document regarding fiscal year 1996:

- Erosion-control projects saved 17 tons of soil per acre.
- Sediment into Cheney, Hillsdale, Melvern, Perry, and Tuttle Creek Reservoirs and the Kansas Lower Republican River was reduced by more than 320,000 tons.
- Irrigation systems improved efficiency on average by about 21%. (This means an irrigator is capable of reducing water consumption by about two gallons of water for every 10 gallons pumped.)

Because the goals of the Water Plan aren't quantifiable and don't set time-frames, we couldn't tell whether these measures met Water Plan goals.

Staff gather the information shown above from county conservation districts. They told us these estimates—particularly the soil savings estimates—often overstated the benefit because counties didn't accurately record tons of soil saved per acre per year, but rather recorded a total savings for the whole field. Staff told us the irrigation efficiency estimates, derived from U.S. Department of Agriculture guidelines, are accurately reported.

**The Commission's Programs Could Be Transferred To Other State Agencies, But There Are Pros and Cons To Doing So**

When this audit was approved, questions were raised about whether there was a need for a separate agency to operate the Commission's programs. Those questions were raised partly because of a desire to streamline government operations, and partly because so many State agencies handle water-related issues.

To address these questions, we reviewed the Commission's programs and the duties of each of its staff members, met with the Executive Director to identify similar types of programs in other State agencies, and interviewed officials from those agencies to find out what their programs did, how they were staffed, and how much money was spent on them.

In general, we found that all Commission programs could be transferred to other agencies, although we didn't necessarily find a compelling reason for a transfer, and the savings that could be achieved are unclear. There are pros and cons of eliminating the Commission and dividing its functions among other agencies would have to be weighed. These issues are described in the sections that follow.

**In some cases, other State agencies operate programs in areas that are similar to the Commission's programs.** These programs would include the following:

<b>Conservation Commission Program</b>	<b>Amount Spent Fiscal Year 1996</b>	<b>Agencies with Similar Responsibilities</b>
Non-Point Source Pollution	\$2.2 million	KDHE, Non-Point Source Pollution
Watershed Dam Construction	\$874,000	Dept of Ag.—Div Water Resources
Multi-Purpose Small Lakes	\$646,000	Dept of Ag.—Div. Water Resources
Wetland and Riparian Protection	\$132,411	Dept. of Wildlife and Parks
Land Reclamation	\$ 81,000	KDHE, Surface Mining Section

The agencies noted in the right-hand column of this table are involved in these programs in the following ways:

- The Department of Health and Environment receives federal funds for a Non-Point Source Pollution program as part of the federal Clean Water Act of 1987. It provides funding for comprehensive "demonstration" projects based on applications submitted by universities, conservation districts, and the like

(but not individual landowners, which is the focus of the Commission's program). The Department's program budget is about \$1 million a year, or about half the size of the Commission's.

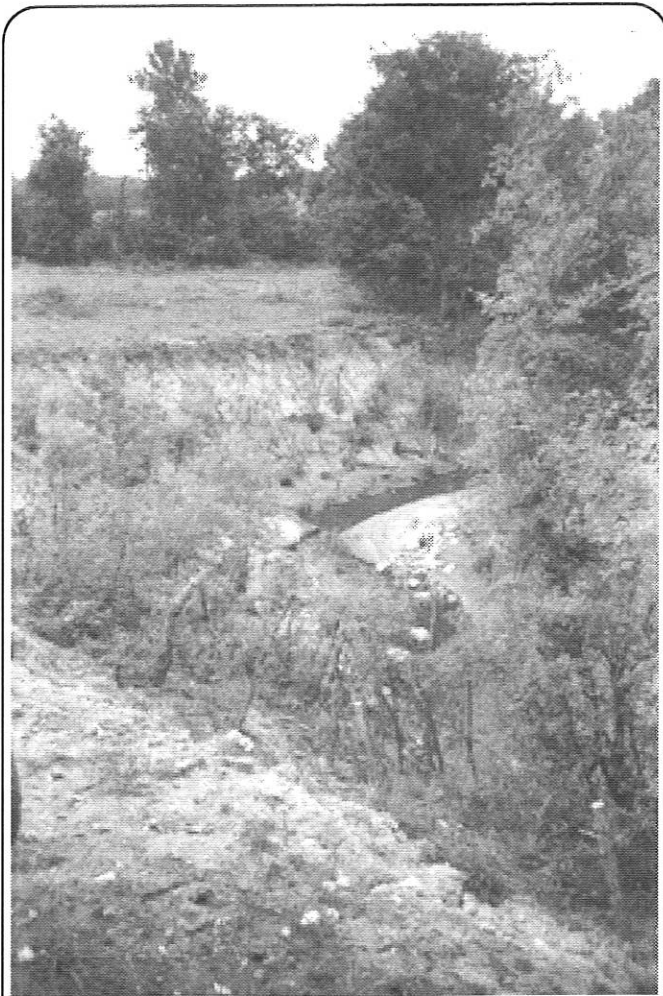
- The Department of Agriculture's Division of Water Resources issues permits to watershed districts to construct watershed dams and multi-purpose small lakes, based on its review of such things as whether the dam or lake is reasonable for the site, is the proper size, is cost beneficial, etc. It also conducts safety inspections after dams or lakes are built. Once the Division has issued a permit, watershed districts apply for cost-share assistance from the Commission. The Commission decides which dams or lakes will be funded in any particular year. In other words, the Division decides which dams and lakes could be built, while the Commission decides which State-funded dams and lakes will be built. Not every dam or lake that receives a permit will receive funding from the Commission.

Division officials we talked with said they thought transferring the Commission's responsibilities to the Division would remove the checks and balances that are currently in place because the "eligibility" assessment is separate from the funding decisions. While the current situation may have some advantages, we would point out that many State agencies operate programs involving the dual responsibility of determining eligibility and selecting applicants for funding.

- The Department of Wildlife and Parks operates the Conservation Easements program, a companion to the Commission's Wetland and Riparian Protection program. The Department can purchase easements (although it isn't a very active program) which will help protect water quality. The Commission's role is to work with landowners and provide a portion of the funding to help restore wetlands and streambanks.
- The Department of Health and Environment's Surface Mining Section regulates coal mining operations, including reclamation of land. It performs essentially the same functions for coal mines as the Commission performs for stone, sand, and gravel mines. When the law was being considered, the aggregate producers lobbied heavily to place the regulation of stone, sand, and gravel mines with the Commission, not the Department.

**About 58% of the Commission's expenditures are for programs that no other agency currently is involved in.** The programs listed in the table below aren't similar to programs operated by other State agencies with water-related responsibilities. But because of their nature, these programs probably could be carried out by one or more of the other agencies.

Conservation Commission Program	Expenditures Fiscal Year 1996
Water Resources Cost Sharing	\$5.0 million
Aid to Conservation Districts	\$1.0 million
Watershed Planning Assistance	\$ 11,300
Benefit Area Program	\$ 6,874



The streambank pictured here is being eroded and is increasing the levels of sedimentation in the creek. Flooding is the cause of most of the damage. The Commission's Riparian and Wetland Program funded the planting of Willow Tree Stakes in the creek's bank to try to stabilize it. The hope is that this will allow vegetation to take root and prevent further erosion. The Commission paid about \$500 toward the cost this project.

Water Resources Cost Share is the Commission's largest program, accounting for nearly half its expenditures. The program allocates money to conservation districts in five areas: district needs, conservation compliance, irrigation, water quality, and technical assistance. By law, 60% of the "district needs" money (about \$1.6 million) is divided equally among the 105 districts to spend on any of a broad group of activities approved by the Commission. To distribute the remaining \$3.4 million, the Commission identifies districts that most need assistance in a particular area (eg., irrigation or erosion control), and allocates additional funding to them. If these districts don't receive enough applications from landowners in the first few months to use the entire allocation, the Commission reallocates those funds to another district.

If this program were transferred, the Department of Health and Environment might be the most logical placement. However, the next three programs--which all involve simple pass-throughs of money--logically might be handled by the Kansas Water Office.

Aid to Conservation Districts is a pass-through program that matches the amount (up to \$10,000 each) counties contribute

to their conservation districts. Commission staff review each district's budget and financial audit to determine the amount of the match.

In the Watershed Planning Assistance program, the Commission contracts with private engineering or environmental consulting firms to develop watershed plans. These plans historically were implemented through federal funding from the federal Natural Resource Conservation Service.

Finally, the Benefit Area program is a little-used program that reimburses watershed districts for certain expenses when more than 20% of the benefits of a flood control project occur outside the watershed's boundaries. Water Office officials told

us the program was transferred to the Commission from the Water Office in the late 1980s, because the Commission has a tighter linkage to the watershed districts than does the Water Office.

The most significant barrier to any of the State's other water-related agencies taking over these programs is that, currently, these agencies have no connection to the 105 conservation districts. However, the connections could be developed. And if staff were transferred from the Commission to the agencies that received the programs, the ties could more readily be maintained.

**Abolishing the Commission would have advantages and disadvantages.** Benefits that might accrue if the Commission were abolished and its functions transferred to other agencies include the following:

- *streamlining State government.* Water-related programs would be concentrated in fewer agencies, which would reduce the likelihood of duplication or overlap in programs funded by the Legislature.
- *saving money on some staff positions.* The Commission's expenditure for administration (primarily salaries and wages) in fiscal year 1996 was \$533,040. Because we didn't do a workload analysis of the Commission or the other agencies, we don't know whether the other agencies could take on any of the Commission's programs without adding staff. Although the Commission's six program staff would likely need to be transferred to other agencies along with the programs, it's possible that some of the six support staff, who handle general office duties as well as program-related tasks, might not be needed.

If the Commission's programs were split up between several State agencies, the salaries associated with the positions of the agency's Fiscal Officer and its Executive Director might be saved. However, if all the Commission's programs were transferred to a single agency, and operated as a separate division, some type of division director likely would be needed.

Several potential disadvantages also would have to be considered and dealt with, including the following:

- *the Commission's programs as a whole don't fit neatly into any one existing State agency.* If the programs were split up between different agencies, 105 conservation districts would have to apply to multiple State agencies for funding, instead of the one they now work with, making State government more fragmented for their purposes. In addition, over time, different agencies might develop very different policies for dealing with the conservation districts.
- *the appointed Commission—the agency's governing body—probably would be dissolved.* This would reduce the involvement of local conservation districts, who currently are represented on the Commission, in making policy that affects them. If the appointed Commission were kept, it would be making policy for several executive branch agencies.



- *the State, with its large agricultural base, would not have a single agency focused on soil conservation.* Historically, this agency developed out of the “dust bowl” years in response to improper land-use practices that contributed to soil erosion by wind and water. With the funding of the State Water Plan, the emphasis has shifted more to how the quality of the State’s waters are affected by poor land-use practices. However, farmland remains the emphasis of the Commission’s program.

### **Conclusion**

In general, our audit work has shown Conservation Commission program funds are being spent where they should be--in the areas targeted as priorities by the Annual Implementation Plan. In addition, the Commission’s review processes help ensure that the types of projects being carried out are designed to meet at least the broad goals of the Water Plan. However, the Commission and other agencies can and should do more to ensure that the priorities targeted in each year’s Annual Implementation Plan are met. The actions recommended in this report will ensure a more coordinated and effective approach to addressing the State’s water resources and conservation needs. Finally, if the Legislature takes up the issue of transferring Commission programs to another agency or agencies, it should consider the advantages and disadvantages presented in this report, as well as any other input State and local officials may provide.

### **Recommendations**

1. To ensure that goals in the Annual Implementation Plans for the State Water Plan better reflect the water conservation needs that exist throughout the State, the following actions should be taken:
  - a. The Water Office should work with the river basin advisory committees to formally involve county conservation districts in the process for developing the Annual Implementation Plan. As part of this effort, the Office and the committees should ensure that conservation districts’ needs and priorities are identified, discussed, and incorporated as appropriate into each year’s Plan.
  - b. The Water Office and Water Authority should consider ranking the priorities listed in each year’s Annual Implementation Plan so that the importance of each priority is clear. This action would help the Conservation Commission and other agencies with water-related responsibilities determine how much of available funding resources should be directed to each priority area.
2. To ensure that State Conservation Commission programs meet the goals of the State Water Plan and the Annual Implementation Plans, the Commission should do the following:

- a. periodically review program expenditures to determine whether moneys are being spent on the goals of the Annual Implementation Plan, and work with county conservation district officials to adjust spending as needed to meet those goals.
  - b. work with the Kansas Water Office to determine what information is needed to measure effectiveness at meeting the Plan's goals, inform conservation districts about how to collect and report that information, and spot check the information being reported to ensure that it is accurate and consistent.
3. To ensure that Conservation Commission projects are completed as designed, and that programs operate within established, published guidelines, the Commission should do the following:
- a. make sure that the individuals certifying project completion are qualified to know that a project has been completed as designed, or have received certification from a qualified official stating the project is properly completed. (This is especially important for septic tank projects when the county has no sanitarian to certify the tank is installed properly.)
  - b. update its administrative regulations to reflect the Commission's current practices regarding the maximum level of funding allowed for the Watershed Dam Construction Program.
  - c. follow its existing program guidelines when approving supplemental requests for funding on dam construction projects, or update those guidelines to reflect the Commission's current practice.

## APPENDIX A

### **Fiscal Year 1996 Comparison of Water Plan Goals to Actual Spending in the Non-Point Source Pollution Control and Watershed Dam Construction Programs**

This Appendix contains two charts outlining the fiscal year 1996 Annual Implementation Plan goals for two State Conservation Commission's programs, Watershed Dam Construction and Non-Point Source Pollution Control. In the case of these programs, the Annual Implementation Plan has geographic areas listed that should have the Commission's funds targeted to them. The goals for each of these programs is presented by the 12 state-wide river basin areas. Program expenditures and encumbrances shown in this Appendix were provided by the Commission effective August 1, 1996.

The Commission spent a majority of both programs' funds in priority areas targeted by the Annual Implementation Plan. All of the dams funded for construction in fiscal year 1996 were located in the Plan's targeted areas. Three dams listed as priorities didn't receive funding because they lacked the proper permits.

The majority—86%—of the completed projects and technical assistance funds in the Non-Point Pollution Control Program were in targeted areas. The targeted areas that didn't receive funding didn't have required county pollution management plans or the county conservation district didn't receive any project applications.

	Lower Arkansas	Upper Arkansas	Cimarron	Kansas-Lower Republican	Marais des Cygnes	Missouri	Neosho
GEOGRAPHIC AREAS TARGETED FOR NON-POINT SOURCE POLLUTION CONTROL PROGRAM FUNDING IN THE FISCAL YEAR 1996 ANNUAL IMPLEMENTATION PLAN	Cheney Reservoir & Wellington Reservoir drainage, Kingman and Reno Counties, Equus Bed Aquifer	In and along Arkansas River alluvial valley		(From Governor's Water Quality Initiative) Blue River, Delaware River, Kansas River Main Stem	Mound City Lake, Pleasanton City Lake, Lake Miola, Hillsdale Lake, Middle Creek Lake, Lyndon City Lake, Harveyville City Lake, Richmond City Lake	Nemaha county	
\$ SPENT IN TARGETED AREAS	\$102,513	\$49,695	\$0	\$152,086	\$72,216	\$63,512	\$0
\$ SPENT IN NON-TARGETED AREAS	\$37,240	\$15,634	\$9,844	\$0	\$41,777	\$0	\$67,159
TECHNICAL ASSISTANCE IS A PRIORITY FROM THE FISCAL YEAR 1996 ANNUAL IMPLEMENTATION PLAN	YES	YES	NO	YES	YES	YES	YES
\$ SPENT ON TARGETED TECHNICAL ASSISTANCE	\$78,826	\$31,432	\$0	\$300,859	\$138,214	\$11,079	\$35,537
\$ SPENT ON NON-TARGETED TECHNICAL ASSISTANCE	\$0	\$0	\$13,538	\$0	\$0	\$0	\$0
ENCUMBERED FUNDS (We could not determine whether \$ encumbered were in targeted or non-targeted areas)	\$104,136	\$20,010	\$4,967	\$264,943	\$68,114	\$29,797	\$39,518
TARGETED AREAS NOT RECEIVING FUNDING					4 AREAS: Middle Creek Lake, Cedar Valley Reservoir, Fort Scott Lake and proposed Bone Creek Lake	2 AREAS: Pony Creek Drainage and Brown county	4 AREAS: Marion Reservoir, Council Grove City Lake, Lake Parsons, Baxter Springs water supply intake
TOTAL \$ SPENT AND ENCUMBERED BY BASIN	\$322,715	\$116,771	\$26,349	\$717,888	\$320,321	\$104,388	\$142,214

Upper Republican	Smoky Hill- Saline	Solomon	Verdigris	Walnut	Total Spent	
	Kanopolis Lake in Ellsworth and Lincoln counties, Protection of Smoky Hill River in Saline county, Herrington Reservoir in Dickinson and Marion counties	Graham, Phillips, and Smith counties, Waconda Lake in Mitchell and Osborne counties,		El Dorado reservoir drainage, Augusta City Lake drainage, Winfield City Lake Drainage		
\$0	\$62,339	\$41,670	\$0	\$32,293	\$576,324	
					(74% of project spending)	
\$0	\$18,854	\$9,721	\$0	\$0	\$200,229	
					(26% of project spending was in non-targeted areas)	
NO	YES	YES	YES	YES		
\$0	\$59,897	\$31,902	\$2,492	\$34,696	\$724,934	
					(98% of technical assistance was in targeted areas)	
\$0	\$0	\$0	\$0	\$0	\$13,358	
					(2% of technical assistance was spent in non-targeted areas)	86% of project and technical assistance funds were spent in targeted areas.
\$0	\$77,563	\$41,590	\$1,401	\$16,135	\$668,174	
1 AREA: NW Kansas Ground Water Management District No. 4	3 AREAS: Protection of alluvial & deep aquifers in Ellis County , Protection of Smoky Hill river in McPherson county, Protection of Ellsworth well field.		12 AREAS: Caney, Sedan, Howard City, Moline City, Madison City, Eureka Water Supply, Severy City, Big Hill, Thayer City, Buffalo City, Yates City, and Elk City Lakes.			
\$0	\$218,653	\$124,883	\$3,893	\$83,124	\$2,183,197	

	Lower Arkansas	Upper Arkansas	Cimarron	Kansas-Lower Republican	Marais des Cygnes	Missouri	Neosho
<b>DAM CONSTRUCTION GOALS FOR THE FISCAL YEAR 1996 ANNUAL IMPLEMENTATION PLAN</b>							
<b>TARGETED AREAS</b>	None	Hodgeman County dam	None	Above Lovewell, Milford, Tuttle Creek, Perry, Clinton, and other public water supply lakes. - Other 54 sub-basins with high flood damage potential should have funds targeted to them	Hillsdale, Melvern, Pomona, and other public water supply lakes. - Funds should be targeted to 19 sub-basins with the highest flood damage reduction potential	Provide assistance to Pony Creek, Roy's Creek, and Wolf River watershed districts. - Cost-share funds should be targeted to other 8 sub-basins with highest flood damage potential	Above Council Grove Lake, Marion Lake, John Redmond, and other public water supply lakes. - Give priority to watersheds
<b>DAMS BUILT IN TARGETED AREAS (County dam is located in): All dams constructed in target areas</b>		1 DAM FUNDED: -Pawnee Watershed District (Hodgeman County)		5 DAMS FUNDED: -Cross Creek (Pottawatomie) -Delaware (Nemaha) -Rock Creek (Pottawatomie) -Vermillion Creek (Marshall) -Nemaha/Brown (Nemaha)	2 DAMS FUNDED: - Salt Creek (Lyon) - Tauy Creek (Douglas)	None	1 DAM FUNDED: - Rock Creek (Wabaunsee)
<b>\$ SPENT ON DAMS IN TARGETED AREAS</b>		\$120,000		\$259,827	\$111,978		\$42,000
<b>SUPPLEMENTAL APPLICATIONS FUNDED (Previous year projects that have unexpected cost overruns)</b>				12 SUPPLEMENTAL REQUESTS FUNDED: - Delaware - Mill Creek - Nemaha-Brown - Vermillion Creek - Rock Creek	3 SUPPLEMENTAL REQUESTS FUNDED: -Marmaton -Mill Creek -Tauy Creek	3 SUPPLEMENTAL REQUESTS FUNDED: - Pony Creek - Wolf River	2 SUPPLEMENTAL REQUESTS FUNDED: -Cedar Creek -Peyton Creek
<b>\$ SPENT ON SUPPLEMENTAL APPLICATIONS</b>				\$92,962	\$22,848	\$19,115	\$14,003
<b>DAM APPLICATIONS NOT FUNDED</b>				7 DAMS APPLICATIONS NOT FUNDED: -Delaware -Vermillion Creek -Rock Creek (Dams not funded because of lower ranking by Commission)			3 DAM APPLICATIONS NOT FUNDED: -Big Creek (Dams not funded because they lacked proper permits)
<b>TOTAL \$ SPENT PER BASIN</b>	\$0	\$120,000	\$0	\$352,789	\$134,826	\$19,115	\$56,003

Upper Republican	Smoky Hill- Saline	Solomon	Verdigris	Walnut	Total \$ Spent for Dams and Supplemental requests
None	None	None	High flood damage sub-basins	Whitewater and Upper Walnut watershed districts	
			1 DAM FUNDED: - Tri-Creek (Wilson)	1 DAM FUNDED: - Whitewater River (Butler)	
			\$60,629	\$120,000	\$714,434 (82% OF TOTAL PROGRAM SPENDING)
				1 SUPPLEMENTAL REQUEST FUNDED: -Upper Walnut	
				\$10,120	\$159,048 (18% OF TOTAL PROGRAM SPENDING)
			\$60,629	\$130,120	\$873,482

## **APPENDIX B**

### **County Composition of Kansas River Basin Areas**

Each of the 12 state-wide river basin areas is composed of certain counties. The following chart outlines which river basin each county is in. Many counties are located in more than one river basin. Some counties are located in up to three river basin area and one county (Marion) is in four river basin areas.



	BASIN #1	% OF COUNTY IN BASIN	BASIN #2	% OF COUNTY IN BASIN	BASIN #3	% OF COUNTY IN BASIN		
COUNTY								
ALLEN	Neosho	81%	Marais des Cygnes	19%				
ANDERSON	Marais des Cygnes	80%	Neosho	20%				
ATCHISON	Kansas-Lower Republican	68%	Missouri	32%				
BARBER	Lower Arkansas	100%						
BARTON	Upper Arkansas	44%	Lower Arkansas	42%	Smoky Hill -Saline	14%		
BOURBON	Marais des Cygnes	98%	Neosho	2%				
BROWN	Missouri	71%	Kansas-Lower Republican	29%				
BUTLER	Walnut	95%	Verdigris	3%	Neosho	2%		
CHASE	Neosho	94%	Verdigris	6%				
CHAUTAUQUA	Verdigris	100%						
CHEROKEE	Neosho	100%						
CHEYENNE	Upper Republican	100%						
CLARK	Cimarron	99%	Lower Arkansas	1%				
CLAY	Kansas-Lower Republican	80%	Smoky Hill-Saline	20%				
CLOUD	Kansas-Lower Republican	66%	Solomon	30%	Smoky Hill-Saline	4%		
COFFEY	Marais des Cygnes	20%	Neosho	80%				
COMMANCHE	Lower Arkansas	60%	Cimarron	40%				
COWLEY	Walnut	79%	Lower Arkansas	12%	Verdigris	9%		
CRAWFORD	Neosho	81%	Marais des Cygnes	19%				
DECATUR	Upper Republican	95%	Solomon	5%				
DICKINSON	Smoky Hill-Saline	96%	Kansas-Lower Republican	2%	Solomon	2%		
DONIPHAN	Missouri	100%						
DOUGLAS	Kansas-Lower Republican	80%	Marais des Cygnes	20%				
EDWARDS	Upper Arkansas	52%	Lower Arkansas	48%				
ELK	Verdigris	99%	Walnut	1%				

ELLIS	Smoky Hill -Saline	100%					
ELLSWORTH	Smoky Hill-Saline	85%	Lower Arkansas	15%			
FINNEY	Upper Arkansas	100%					
FORD	Upper Arkansas	82%	Cimarron	10%	Lower Arkansas	8%	
FRANKLIN	Marais des Cygnes	100%					
GEARY	Kansas-Lower Republican	77%	Smoky Hill-Saline	23%			
GOVE	Smoky Hill-Saline	100%					
GRAHAM	Solomon	75%	Smoky Hill-Saline	25%			
GRANT	Cimarron	92%	Upper Arkansas	8%			
GRAY	Upper Arkansas	73%	Cimarron	27%			
GREELEY	Upper Arkansas	82%	Smoky Hill -Saline	18%			
GREENWOOD	Verdigris	96%	Neosho	3%	Walnut	1%	
HAMILTON	Upper Arkansas	78%	Cimarron	22%			
HARPER	Lower Arkansas	100%					
HARVEY	Lower Arkansas	80%	Neosho	4%	Walnut	16%	
HASKELL	Cimarron	72%	Upper Arkansas	28%			
HODGEMAN	Upper Arkansas	100%					
JACKSON	Kansas-Lower Republican	100%					
JEFFERSON	Kansas-Lower Republican	100%					
JEWELL	Kansas-Lower Republican	67%	Solomon	33%			
JOHNSON	Kansas-Lower Republican	83%	Marais des Cygnes	17%			
KEARNY	Upper Arkansas	89%	Cimarron	11%			
KINGMAN	Lower Arkansas	100%					
KIOWA	Lower Arkansas	86%	Upper Arkansas	4%	Cimarron	10%	
LABETTE	Neosho	61%	Verdigris	39%			
LANE	Upper Arkansas	81%	Smoky Hill-Saline	19%			

LEAVENWORTH	Kansas-Lower Republican	76%	Missouri	24%				
LINCOLN	Smoky Hill-Saline	80%	Solomon	20%				
LINN	Marais des Cygnes	100%						
LOGAN	Smoky Hill-Saline	100%						
LYON	Neosho	70%	Marais des Cygnes	21%	Verdigris	9%		
MARION	Neosho	86%	Smoky Hill-Saline	7%	Walnut	4%	Lower Arkansas	3%
MARSHALL	Kansas-Lower Republican	97%	Missouri	3%				
MCPHERSON	Lower Arkansas	57%	Neosho	2%	Smoky Hill-Saline	41%		
MEADE	Cimarron	100%						
MIAMI	Marais des Cygnes	100%						
MITCHELL	Solomon	96%	Smoky Hill-Saline	3%	Kansas-Lower Republican	1%		
MONTGOMERY	Verdigris	100%						
MORRIS	Neosho	79%	Kansas-Lower Republican	16%	Smoky Hill-Saline	5%		
MORTON	Cimarron	100%						
NEMAHA	Kansas-Lower Republican	53%	Missouri	47%				
NEOSHO	Neosho	91%	Verdigris	9%				
NESS	Upper Arkansas	86%	Smoky Hill-Saline	14%				
NORTON	Upper Republican	57%	Solomon	43%				
OSAGE	Marais des Cygnes	87%	Kansas-Lower Republican	13%				
OSBORNE	Solomon	76%	Smoky Hill-Saline	24%				
OTTAWA	Solomon	75%	Smoky Hill-Saline	25%				
PAWNEE	Upper Arkansas	94%	Lower Arkansas	6%				
PHILLIPS	Solomon	81%	Upper Republican	19%				
POTTAWATOMIE	Kansas-Lower Republican	100%						
PRATT	Lower Arkansas	100%						
RAWLINS	Upper Republican	100%						
RENO	Lower Arkansas	100%						
REPUBLIC	Kansas-Lower Republican	100%						

FICE	Lower Arkansas	90%	Upper Arkansas	7%	Smoky Hill-Saline	3%		
RILEY	Kansas-Lower Republican	100%						
ROCKS	Solomon	73%	Smoky Hill-Saline	27%				
RUSH	Upper Arkansas	64%	Smoky Hill-Saline	35%	Lower Arkansas	1%		
RUSSELL	Smoky Hill-Saline	100%						
SALINE	Smoky Hill-Saline	95%	Solomon	5%				
SCOTT	Upper Arkansas	61%	Smoky Hill-Saline	39%				
SEDGWICK	Lower Arkansas	90%	Walnut	10%				
SEWARD	Cimarron	100%						
SHAWNEE	Kansas-Lower Republican	100%						
SHERIDAN	Solomon	66%	Smoky Hill-Saline	29%	Upper Republican	5%		
SHERMAN	Upper Republican	76%	Smoky Hill-Saline	23%	Solomon	1%		
SMITH	Solomon	83%	Kansas-Lower Republican	15%	Upper Republican	2%		
STAFFORD	Lower Arkansas	91%	Upper Arkansas	9%				
STANTON	Cimarron	100%						
STEVENS	Cimarron	100%						
SUMNER	Lower Arkansas	100%						
THOMAS	Upper Republican	47%	Solomon	30%	Smoky Hill-Saline	23%		
TREGO	Smoky Hill-Saline	100%						
WABAUNSEE	Kansas-Lower Republican	75%	Marais des Cygnes	15%	Neosho	10%		
WALLACE	Smoky Hill-Saline	100%						
WASHINGTON	Kansas-Lower Republican	100%						
WICHITA	Upper Arkansas	60%	Smoky Hill-Saline	40%				
WILSON	Verdigris	94%	Neosho	6%				
WOODSON	Neosho	64%	Verdigris	36%				
WYANDOTTE	Kansas-Lower Republican	64%	Missouri	36%				

## **APPENDIX C**

### **Agency Responses**

On October 14 we provided copies of the draft audit report to the State Conservation Commission, and the Kansas Water Office. Their responses are included as this appendix.



# State Conservation Commission

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October 22, 1996

Ms Barbara Hinton, Legislative Post Auditor  
Legislative Division of Post Audit  
800 SW Jackson, Suite 1200  
Topeka, KS 66612-2212

Dear Ms Hinton:

I have completed a review of the draft performance audit report of the State Conservation Commission. In response to the audit's recommendations, I offer the following responses highlighted in **bold**. (Note: This response does not address recommendation 1b. which was directed to the Kansas Water Office and Kansas Water Authority):

1. To ensure that goals in the Annual Implementation Plans for the State Water Plan better reflect the water conservation needs that exist throughout the State, the following actions should be taken:
  - a. The Water Office should work with the river basin advisory committees to formally involve county conservation districts in the process for developing the Annual Implementation Plan. As part of this effort, the Office and the committees should ensure that conservation districts' needs and priorities area identified, discussed, and incorporated as appropriate into each year's Plan.

**Although this item is directed to the Kansas Water Office, the State Conservation Commission will assist in the coordination of Implementation Plan development between conservation districts and basin advisory committees.**

2. To ensure that State Conservation Commission programs meet the goals of the State Water Plan and the Annual Implementation Plans, the Commission should do the following:
  - a. periodically review program expenditures to determine whether moneys are being spent on the goals of the Annual Implementation Plan, and work with county conservation district officials to adjust spending as needed to meet those goals.

**Program expenditures and funding commitments made by conservation districts are reviewed bi-annually by the Commission to determine district eligibility for reallocated funds. Reallocation criteria focuses on water plan priorities and those districts meeting the eligibility criteria are rewarded by receiving additional funding. Additionally, the agency earmarks approximately \$3.3 million in program funds for use in specific water plan priority areas only.**

- b. work with the Kansas Water Office to determine what information is needed to measure effectiveness at meeting the Plan's goals, inform conservation districts about how to collect and report that information, and spot check the information being reported to ensure that it is accurate and consistent.

**This effort is currently underway with not only the Kansas Water Office, but with Kansas State University and Natural Resources Conservation Service (NRCS) to obtain both economic and environmental effectiveness measures for practices receiving cost-share assistance.**

Many of today's projects are shifting away from traditional erosion control to sophisticated water quality best management practices. Measuring water quality improvements generally requires before and after monitoring. Obtaining water quality samples before and after the installation of an individual project is not cost effective or logistically possible considering the samples need to be taken during a runoff event. The Commission will work with the aforementioned agencies to test best management practices and determine each practice's approximate pollution reduction potential before installation. The Commission will continue to utilize NCRS for quality reviews of installed practices. The Commission staff will address the issue of accurate and consistent reporting through ongoing program or district office reviews.

3. To ensure that Conservation Commission projects are completed as designed, and that programs operate within established, published guidelines, the Commission should do the following:
  - a. make sure that the individuals certifying project completion are qualified to know that a project has been completed as designed, or have received certification from a qualified official stating the project is properly completed. (This is especially important for septic tank projects when the county has no sanitarian to certify the tank is installed properly.)

The Commission has identified two policy options to address this issue: (1) require a county to have a local sanitary code and appropriate personnel in order to be eligible for failing septic system assistance; or (2) the Commission will assume certification responsibility in areas void of appropriate personnel or sanitary code and work with KDHE to certify project completion.

- b. update its administrative regulations to reflect the Commission's current practices regarding the maximum level of funding allowed for the Watershed Dam Program.

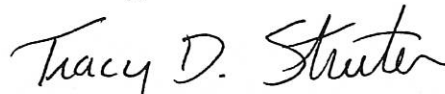
The Commission has developed draft administrative regulations to include, among other necessary revisions, the current maximum funding level for the Watershed Dam Construction Program.

- c. follow its existing program guidelines when approving supplemental requests for funding on dam construction projects, or update those guidelines to reflect the Commission's current practice.

The situation precipitating this recommendation was a misinterpretation of program policy on my part. The misinterpretation resulted in 14 watershed projects receiving an additional \$10,398 in supplemental assistance. These additional funds did not exceed the overall maximum cost-share level per project. The agency's supplemental funding policy was created to reduce the impact of over budget, prior year projects on new project funding.

The State Conservation Commission appreciates the efforts of your staff involved in this audit. The findings in this audit will be most beneficial to the Commission in making necessary program improvements. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

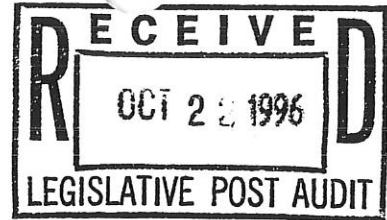


Tracy D. Streeter  
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STATE OF KANSAS



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October 22, 1996

Ms. Sharon Patnode  
Legislative Post Audit  
Mercantile Bank Tower  
800 Southwest Jackson - Suite 1200  
Topeka, Kansas 66612-2212

Dear Ms. Patnode:

Thank you for the opportunity to review the draft of your audit of the State Conservation Commission and its programs related to the State Water Plan. Overall, we agree with the points brought out in the audit. There are a few developments which I would like to bring to your attention.

Your audit relied extensively on the FY 1996 Annual Implementation Plan (AIP) as a guide to the performance of the Commission's programs. The AIP has undergone significant change since 1995. Prior to FY 1996, the AIP was a very cumbersome recap of the basin directed programs listed within the Kansas Water Plan. In FY 1996, the AIP was consolidated to a more concise program document which listed those basins which had called upon a particular program for their issues. At this stage, the AIP was a mirror of the Kansas Water Plan. As such, since the Water Plan did not set out specific priorities within or among basins, neither did the Annual Implementation Plan.

For FY 1997, specific directions were placed in the Annual Implementation Plan for each program. This marked the first time that targeting of State Water Plan Funds was directed to specific priority areas. Not all the priority areas alluded to within the Kansas Water Plan were targeted within the FY 1997 Annual Implementation Plan, which is akin to ranking those issues and areas. This more specific guidance has influenced both State Water Plan Fund requests and expenditures in the current fiscal year.

For FY 1998, the targeted areas of 1997 were again highlighted and the Annual Implementation Plan added program objectives for 1997-1998 as well as a five year goal of resulting outcomes from implementing each program. The specificity of these goals varies among programs and will continue to evolve with each planning cycle.



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The AIP is used to guide the state agencies in preparing their upcoming budgets. It has become the dynamic component of the Kansas Water Plan and its implementation. Therefore, this AIP should continue to reflect the anticipated priorities of the Water Plan. However, the principal document for guiding actual implementation (expenditures) is the Kansas Water Authority's Annual Report to the Governor and the Legislature. Within that report, the Authority outlines its priorities and ranking of programs, projects and issues relative to appropriation and expenditure of the State Water Plan Fund. The recommendations made by the Authority have substantially more weight in directing the agencies on how and where those funds should be used.

Similar to the FY 1996 Annual Implementation Plan, the Water Authority Report for that Fiscal Year was specific as to the amount of money to be appropriated to the agency programs, but fairly silent as to how the funds were to be used. The recommendations become much more specific in the FY 1997 Annual Report and the agencies have abided by that guidance. Therefore, I believe we are already in the process of implementing your Recommendation (1.b.).

In regards to the issue of working with the county conservation districts in the water planning process, there are several points. First, the Commission programs are moving to operate under a central theme of State Water Plan programs: a combination of base support and the use of targeted funds. The expectation of the Kansas Water Plan is to provide a base of support to programs implemented through the county conservation districts, but hold a portion of State Water Plan Funds to be targeted toward areas of specific priority, such as the areas of the Governor's Water Quality Initiative. This approach reflects a need to balance water resource priorities from the state and the local perspective.

Those two perspectives are not necessarily synonymous, nor were they ever envisioned as such. Base programs can be used by the locals to deal with their issues of concern which may or may not affect state priority resources. These applications are generally small in scale, spread throughout the county and their benefits are fairly local. The use of targeted funds focuses on problem areas which impact state priority water resources. These applications are contained within hydrologic units such as watersheds, their scale may be small, but they are concentrated and the benefits should be realized by the downstream or underlying resource.

There is a greater need for our basin advisory committees to understand the activities of the conservation districts within their basin. Some members of the BAC's are also associated with the conservation districts. The viewpoint of the basin advisory committee is by definition broader than that of an individual county conservation district. The conservation district typically deals with individuals within the county, the basin advisory committee deals with districts (including watershed, groundwater management, water assurance, etc.), communities and projects within the basin and the state agencies and the Water Plan deals with the basins. Coordination and awareness

Ms. Patnode  
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of the priorities at each level is essential to effective implementation of the Kansas Water Plan. This coordination has been emphasized throughout the recent policy subsections of the Water Plan dealing with water quality and flooding. I expect it will continue to be a pressing need in water planning and an appropriate role for basin advisory committees to serve as a forum for coordination and awareness.

I concur with the recommendations you have made regarding the Water Office and the Water Plan. I believe they substantiate the direction the water planning process has embarked upon over the last 18 months. You need to correct the reference to the Governor's Water Quality Initiative to 1996, rather than 1995. Thank you again for this opportunity.

Respectfully,

A handwritten signature in black ink, appearing to read 'Al LeDoux', with a long horizontal line extending to the right.

Al LeDoux  
Director

AL:TS:PATNODE.WPD/mc