

Approved: 2-13-97
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 10, 1997 in Room 123-S of the Capitol.

All members were present except: Senator Ranson (Excused)

Committee staff present: Alan Conroy, Legislative Research Department
Kathy Porter, Legislative Research Department
Mark Burenheide, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Janet Henning, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

It was moved by Senator Jordan and seconded by Senator Gilstrap that minutes of February 4 be approved. The motion carried on a voice vote.

Senator Morris reviewed the subcommittee report for the Department of Agriculture budget (Attachment 1). Questions regarding the fee funding and status of FTE's were briefly discussed by Committee members.

The subcommittee report for the Animal Health Department (Attachment 2) was reviewed by Senator Morris. Senator Morris told Committee members the subcommittee noted its concern over the weakening status of the agency's primary funding sources, the Animal Disease Control Fee Fund and the Animal Facilities Fee Fund. Questions from Committee members regarding the sources of funding and inspections of livestock were acknowledged by George Teagarden, Commissioner, Animal Health Department and Don Cawby, Fiscal Analyst, Kansas Legislative Research.

Senator Morris reviewed the subcommittee report for the Kansas State Fair (Attachment 3). Committee members noted their concerns regarding the options for handicapped accessible seating at the State Fair grandstand and the costs of complying with ADA.

Senator Morris reviewed the subcommittee report for the Grain Inspection Department (Attachment 4). Members of the Grain Inspection Department responded to questions from Committee members regarding the necessity of grain inspections by state and/or federal agencies and the issue of privatizing the grain inspection function of the agency.

The subcommittee report for the Kansas Wheat Commission (Attachment 5) was reviewed by Senator Morris.

Senator Kerr reviewed the subcommittee report for the Kansas Water Office (Attachment 6). A brief discussion was held regarding the weather modification (hail suppression) project. Senator Kerr told the Committee members that it is a requirement that for every dollar spent, a match is made by another entity i.e., County Commission Irrigation Board, etc.

Senator Kerr reviewed the subcommittee report for the State Conservation Commission (Attachment 7).

Senator Kerr reviewed the subcommittee report for the Wildlife and Parks Department (Attachment 8). After a brief discussion, Senator Downey moved, and Senator Morris seconded, that the

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 10, 1997.

subcommittee report be amended to indicate the Wildlife and Parks Department is requested to obtain information on the walk-in hunting program and the relationship to increased sales of licenses. The motion carried on a voice vote.

Senator Kerr called for a motion regarding a technical amendment. Senator Morris moved, and Senator Salmans seconded, to amend the subcommittee report to reflect lapse of language. The motion carried on a voice vote.

Senator Petty requested information be obtained from Legislative Research as to how many no-limit funds exist in these agencies and the amount of funds. A request was also made for the percentage of increases in 1997, any supplemental requests and recommendations, percentage of expenditures to date, and whether 50% of the budget had been spent year to date.

Senator Kerr advised the subcommittee report would be held until February 11 for voting. The meeting was adjourned at 12:20 p.m.

The next meeting is scheduled for February 11, 1997.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 2-10-97

NAME	REPRESENTING
John Spurgeon	KDWP
Greg Tjamen	Dept of Agriculture
Diane Waterworth	Division of the Budget
Gordy Denton	Div of Budget
Jim Langford	EDOB
Jennie Wedel	KWO
Al LeDoux	KWD
Daniel Eklund	KWO
Gary M. Bothwell	Ks Grain Inspection
Thomas E. Meyer	Ks Grain Insp
Ron Scheibmeier	KS Grain Insp.
Lola Warner	St. Conservation Comm.
Blake Henning	" " "
Dick Kwerth	KDWP
STEVE WILLIAMS	KDWP
Ken Gahr	Ks. Governmental Consulting
Barbara Brown	Intern - Sen Salmons
Debra Duncan	Ks Animal Health
George Teagarden	" "

SUBCOMMITTEE REPORT

Agency: Department of Agriculture

Bill No. –

Bill Sec. –

Analyst: Cawby

Analysis Pg. No. 21

Budget Page No. 59

Expenditure Summary	Agency Est. FY 97	Gov. Rec. FY 97	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 20,364,726	\$ 20,420,006	\$ 0
Aid to Local Units	0	0	0
Other Assistance	1,650	1,650	0
Subtotal - Operating	<u>\$ 20,366,376</u>	<u>\$ 20,421,656</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 20,366,376</u></u>	<u><u>\$ 20,421,656</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 9,355,309	\$ 9,410,589	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 9,355,309</u>	<u>\$ 9,410,589</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 9,355,309</u></u>	<u><u>\$ 9,410,589</u></u>	<u><u>\$ 0</u></u>
FTE Positions	305.8	305.8	0.0
Unclassified Temp. Positions	22.0	22.0	0.0
TOTAL	<u><u>327.8</u></u>	<u><u>327.8</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency estimates operating expenditures of **\$20,366,376**, **\$1,358,360 more than the amount approved by the 1996 Legislature**. The estimate reflects State General Fund supplemental requests totaling \$144,720 and a carryover of \$1,213,640 in fee funds and federal funds from FY 1996 to FY 1997. The agency's current year estimate includes \$9,335,309 from the State General Fund, \$2,657,538 from federal funds, and \$8,353,529 from all other funds. The estimate includes a Kansas Quality Management (KQM) reappropriation of \$67,270 (which may be expended in FY 1997 without any further legislative action).

The Governor recommends current year operating expenditures of **\$20,421,656**, an increase of \$55,280 over the agency request. The increase reflects adjustments to the agency's supplemental requests. Excluding those adjustments, the Governor concurs with the agency's current year estimate for operating expenditures. The recommendation is an increase of \$1,413,640 over the amount approved by the 1996 Legislature, reflecting the Governor's recommended \$200,000 State General

Senate Ways and Means Committee

Date *2-10-97*

Attachment # *1*

Fund supplemental appropriation and a carry-forward of \$1,214,640 in fee funds and federal funds from FY 1996 to FY 1997. The recommendation concurs with the agency estimate of a \$67,270 Kansas Quality Management (KQM) reappropriation.

State General Fund Supplemental Requests. The agency requests the following supplemental increases in the current year:

- **Large Scale Cart.** The request includes a supplemental request of \$24,720 in FY 1997 to purchase a second large scale cart for an additional motor pool truck acquired during the current fiscal year. **The Governor does not recommend this supplemental request.**
- **Computer System.** The agency requests \$120,000 from the State General Fund in capital outlay expenditures for the first of five payments for a KDFA bond to purchase the requested software (\$600,000) included in the FY 1998 computer system enhancement. **The Governor recommends** a supplemental appropriation of \$200,000 from the State General Fund in FY 1997 for the computer enhancement requested in both fiscal years. The recommendation is in addition to approximately \$50,000 the Department is funding within approved resources for a systems architecture study in the current year.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations for FY 1997.



Senator Stephen R. Morris

Senator Christine Downey



Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Department of Agriculture

Bill No. 178

Bill Sec. 96

Analyst: Cawby

Analysis Pg. No. 21

Budget Page No. 59

Expenditure Summary	Agency Req. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 20,368,714	\$ 20,395,373	\$ (490,693)
Aid to Local Units	0	0	0
Other Assistance	1,650	1,650	0
Subtotal - Operating	<u>\$ 20,370,364</u>	<u>\$ 20,397,023</u>	<u>\$ (490,693)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 20,370,364</u></u>	<u><u>\$ 20,397,023</u></u>	<u><u>\$ (490,693)</u></u>
State General Fund:			
State Operations	\$ 9,964,853	\$ 9,901,229	\$ (311,590)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 9,964,853</u>	<u>\$ 9,901,229</u>	<u>\$ (311,590)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 9,964,853</u></u>	<u><u>\$ 9,901,229</u></u>	<u><u>\$ (311,590)</u></u>
FTE Positions	315.8	305.8	0.0
Unclassified Temp. Positions	19.0	22.0	0.0
TOTAL	<u><u>334.8</u></u>	<u><u>327.8</u></u>	<u><u>0.0</u></u>

Agency Req./Governor's Recommendation

The agency requests \$20,370,364 in FY 1998, including \$9,964,853 from the State General Fund, \$1,018,149 from the State Water Plan Fund, \$2,256,817 from federal funds, and \$7,130,545 from all other special revenue funds. The request is an increase of \$3,988 over the current year estimate. The increase reflects an increase of \$609,544 from the State General Fund and an offsetting reduction of \$605,556 from all other funds. The requested increase from the State General Fund includes \$477,578 in salaries and wages and \$131,966 in other operating expenditures.

The Governor recommends FY 1998 expenditures of \$20,397,023, an all funds increase of \$26,659 over the agency request, but a \$24,633 reduction from the current year recommendation. The recommendation includes \$9,901,229 from the State General Fund, \$2,372,349 from federal funds, and \$8,123,445 from agency fee funds. The increase from the agency request reflects adjustments to the

agency's requested enhancements, increases for the Governor's pay plan, and a recommended increase in federal funding for the Plant Health program.

Enhancements. The agency requests \$427,172 in FY 1998 from the State General Fund for the following enhancements:

- **Computer System.** The agency requests \$233,250 from the State General Fund in FY 1998 for capital outlay expenditures to purchase a computer system which the agency believes would move it toward a less paper intensive workplace. As previously noted, the agency has requested \$120,000 in FY 1997 for the first of a five payments for a KDFA bond to purchase the requested software (\$600,000). The FY 1998 request includes \$120,000 for the second payment on the bond, \$40,000 for programming fees, \$46,250 for annual licensing rights, and \$27,000 for laptop computers in the Plant Protection Program.

The Governor recommends \$300,000 from the State General Fund in FY 1998 for the requested computer system enhancement. The complete enhancement totals \$500,000 from the State General Fund over two fiscal years for the requested computer system enhancement. The Governor's recommendation includes a supplemental appropriation of \$200,000 in FY 1997 and the \$300,000 appropriation in FY 1998 for the system.

- **Weights and Measures.** The agency requests \$80,822 from the State General Fund and 10.0 FTE positions in FY 1998 for enhancements in the newly created Division of Weights and Measures. **The agency requests \$80,822 from the State General Fund and 2.0 FTE positions** for two additional inspectors and related equipment costs in the program to provide additional inspectors for all regulatory functions of the program. **The FY 1998 enhancement request also includes the reclassification of 8.0 unclassified temporary positions to FTE positions.** As part of the reforms passed by the 1996 Legislature for the Weights and Measures program, the agency contracted inspections for fuel quality and quantity. During the current year the department was unsuccessful in acquiring competitive bids for three of the six fuel quantity areas in the state. As a result, the Department requested and received 3.0 unclassified temporary positions appointed by the Governor in FY 1997 to complete the un-contracted work. The Department indicates the desire to eliminate all contract fuel quantity inspections in FY 1998 and do the same work with 8.0 FTE or unclassified temporary positions.


The Governor does not recommend the requested new 2.0 FTE positions. The Governor also does not recommend the 5.0 new unclassified temporary positions and the subsequent reclassification of those requested 5.0 unclassified temporary positions (along with the current 3.0 positions) to FTE positions. Instead, the Governor recommends the continuance of the program as it was structured in FY 1997, with 3.0 unclassified temporary Petroleum Measurement Enforcement Program (PMEP) inspector positions and the contracting of the other PMEP inspections. **The Governor's recommendation shifts \$149,454 from Petroleum Inspection Fee Fund for the requested salaries and wages expenditures to other operating expenditures,** to provide funds for the continuation of contract inspections.

- **Agency Turnover Rates.** The agency requests an enhancement of \$113,100 from the State General Fund for a reduction in the agency turnover rate from 4.0 percent to 3.0 percent. According to the agency, unnaturally high turnover rates in the past have forced the agency to keep positions vacant for an entire year, resulting in workload backlogs. **The Governor does not recommend this enhancement and recommends a 4.0 percent turnover savings rate in FY 1998.**

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustment and observation.

1. **Delete \$490,693**, including \$311,590 from the State General Fund, based on the recommendation to delete funding for classified step movement (\$195,355), the 1.0 classified base salary increase (\$105,509), an unclassified merit pool of 3.5 percent (\$41,404), and the longevity bonus (\$148,425) from individual agency budgets.
2. **The Subcommittee notes** its support for the computer enhancement recommended by the Governor. The Subcommittee encourages the agency to pursue this technology upgrade in an attempt to more adequately meet the increased technology requirements as indicated by the regulated community and other agency customers.



Senator Stephen R. Morris

Senator Christine Downey



Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. –

Bill Sec. –

Analyst: Cawby

Analysis Pg. No. 40

Budget Page No. 77

Expenditure	Agency Est. FY 97	Gov. Rec. FY 97	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,788,067	\$ 1,848,217	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,788,067	\$ 1,848,217	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 1,788,067</u>	<u>\$ 1,848,217</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 517,510	\$ 577,660	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 517,510	\$ 577,660	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 517,510</u>	<u>\$ 577,660</u>	<u>\$ 0</u>
FTE Positions	29.0	29.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u>29.0</u>	<u>29.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency estimates current year expenditures of **\$1,788,067**, the same as the amount approved by 1996 Legislature. The FY 1997 agency estimate is an increase of 16.7 percent over FY 1996 actual expenditures of \$1,532,774. The estimate reflects \$517,510 from the State General Fund and \$1,270,557 from agency fee funds. **The Governor recommends operating expenditures of \$1,848,217** in the current year, an increase of \$60,150 (all from the State General Fund) over the agency estimate. The increase reflects supplemental appropriations, made at the agency's request after budget submission, of \$4,000 for updating agency regulations and \$56,150 to reimburse the agency for expenditures associated with the depopulation of a brucellosis infected herd.


Senate Ways and Means Committee

Date *2-10-97*

Attachment # *2*


Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation for FY 1997.



Senator Stephen R. Morris

Senator Christine Downey



Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. 178

Bill Sec. 97

Analyst: Cawby

Analysis Pg. No. 40

Budget Page No. 77

<u>Expenditure</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,788,290	\$ 1,797,117	\$ (32,080)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 1,788,290</u>	<u>\$ 1,797,117</u>	<u>\$ (32,080)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,788,290</u></u>	<u><u>\$ 1,797,117</u></u>	<u><u>\$ (32,080)</u></u>
State General Fund:			
State Operations	\$ 532,452	\$ 540,227	\$ (10,406)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 532,452</u>	<u>\$ 540,227</u>	<u>\$ (10,406)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 532,452</u></u>	<u><u>\$ 540,227</u></u>	<u><u>\$ (10,406)</u></u>
FTE Positions	29.0	29.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>29.0</u></u>	<u><u>29.0</u></u>	<u><u>0.0</u></u>

Agency Req./Governor's Recommendation

The agency estimate for FY 1998 for the Animal Health Department totals \$1,788,290, of which \$532,452 is from the State General Fund and \$1,255,838 is from the agency's fee funds. The amount requested is an increase of \$223 (0.0 percent) over the current year estimate of \$1,788,067. The request will support the existing 29.0 FTE positions in the agency.

The Governor recommends FY 1998 operating expenditures of \$1,797,117, of which \$540,227 is from the State General Fund and \$1,256,890 is from agency fee funds. The recommendation is an increase of \$8,827 (0.5 percent) over the agency request, all for salaries and wages increases. The Governor concurs with the agency's request of \$751,831 for all other operating expenditures in FY 1998.

Depopulation of Brucellosis Infected Herds. The agency requests no specific state funds for indemnity payments to allow for the depopulation of brucellosis infected herds in FY 1998, as the federal government is providing indemnity payments of \$250 per head directly to the producer. However, the agency is requesting funding of \$1,061,830 for the Animal Disease Control program, whose current primary function (approximately 80 percent of expenditures) is to detect, control and eradicate brucellosis in Kansas livestock. **The Governor concurs** with the agency's request, with minor salary adjustments, for the Animal Disease Control Program and **provides an additional \$50,000 from the State General Fund** to replenish the Livestock Indemnity Fee Fund which is used to provide indemnity payments not approved or funded by the U.S. Department of Agriculture.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1998 recommendation with the following adjustments, recommendations, and observations.

1. **Delete \$32,775**, including \$10,632 from the State General Fund, based on the recommendation to delete funding for classified step movement (\$11,540), the 1.0 classified base salary increase (\$8,823), an unclassified merit pool of 3.5 percent (\$2,439), and the longevity bonus (\$9,973) from individual agency budgets.
2. **Add \$695**, including \$226 from the State General Fund, to make a technical correction and provide for 1.0 percent of the unclassified merit pool which was mistakenly omitted from the Governor's recommendation.
3. **Make a technical adjustment** to the bill to provide transfer language mistakenly omitted from the bill.
4. **Fee Funds.** The Senate Subcommittee notes its concern over the status of the agency's primary funding sources, the Animal Disease Control Fee Fund and the Animal Facilities Fee Fund.

The **Animal Disease Control Fee Fund** has seen a steady decline in receipts for the past 15 years due to a decline the number of livestock markets and animals sold at those markets. The agency provided information which reported that number of animals which were sold at market has declined from 4,372,916 in FY 1981 to 2,515,395 in FY 1996, a reduction of 1,857,557 or 42.5 percent over that time period. Since the current 15 cent fee per animal sold at a public livestock market is the largest single source of revenue to the fund (\$377,309 in FY 1996), **the Subcommittee expresses concern** over the viability of the fund in the next two years and notes that a new or additional funding source needs to be identified by the agency and presented to the Subcommittee during the 1998 Legislative Session.

The **Animal Facilities Fee Fund** is in even more dire straits than the Disease Control Fund. The ending balance for the agency fee fund in FY 1998 is estimated at \$8,491 under the agency's request and the Governor's recommendation. Furthermore, the agency's expenditures continue to rise as receipts remain around the \$135,000 per year. The Subcommittee also notes the following annual license fees: animal dealers premises and pet shop operators licenses are as much as \$300 per facility, a pound or shelter license fee is \$200, and a hobby kennel operator license is \$75.

The Subcommittee notes that raising license fees is not the most appropriate manner by which to provide a solution to the funding shortfall and encourages the Animal Health Board and the Legislature to provide recommendations for alternative funding sources to best fund the program. The Subcommittee also notes the urgency is solving this dilemma and encourages expedience in presenting possible solutions.

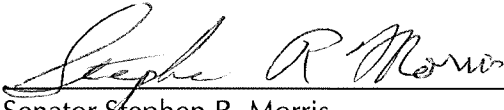
5. **Animal Disease Control Program.** The Subcommittee notes the Governor's transfer of \$50,000 in FY 1998 from the State General Fund to the agency's Livestock Indemnity Fund to aid in the eradication of brucellosis through depopulation of infected herds. The Subcommittee also concurs with the Governor's recommended supplemental appropriation of \$56,150 for depopulation of a large infected herd in FY 1997. The Subcommittee notes that the federal program will most likely expire in FY 1998 and that the agency believes the state will be free of infected herds by the end of 1998. The Subcommittee also notes that out of 14 herds identified in the past 12 months, to date all but 2 have been depopulated. The Subcommittee notes that only one swine herd remains in the state that has been identified as being infected with pseudorabies. The agency notes that it plans to propose legislation this session which would aid in the depopulation of the remaining infected swine.

6. **The Subcommittee commends** the agency for its coordination with the Federal animal disease control program, by working with federal field staff to coordinate inspection and regulation efforts.

Fee Funds Status

<u>Animal Disease Control Fund</u>	<u>Actual FY 96</u>	<u>Agency Est. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>
Beginning Balance	\$ 133,448	\$ 241,025	\$ 241,025	\$ 191,842	\$ 168,753
Net Receipts	<u>563,924</u>	<u>546,131</u>	<u>523,042</u>	<u>536,208</u>	<u>489,808</u>
Total Funds Available	\$ 697,372	\$ 787,156	\$ 764,067	\$ 728,050	\$ 658,561
Less: Expenditures	<u>456,347</u>	<u>595,314</u>	<u>595,314</u>	<u>601,289</u>	<u>601,289</u>
Ending Balance	<u>\$ 241,025</u>	<u>\$ 191,842</u>	<u>\$ 168,753</u>	<u>\$ 126,761</u>	<u>\$ 57,272</u>
Ending Balance as a Percentage of Expend.	52.8%	32.2%	28.3%	21.1%	9.5%

<u>Animal Dealer Fee Fund</u>	<u>Actual FY 96</u>	<u>Agency Est. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>
Beginning Balance	\$ 81,411	\$ 85,191	\$ 85,191	\$ 61,294	\$ 61,294
Net Receipts	<u>135,484</u>	<u>133,000</u>	<u>133,000</u>	<u>135,550</u>	<u>135,550</u>
Total Funds Available	\$ 216,895	\$ 218,191	\$ 218,191	\$ 196,844	\$ 196,844
Less: Expenditures	<u>131,704</u>	<u>156,897</u>	<u>156,897</u>	<u>188,353</u>	<u>188,353</u>
Ending Balance	<u>\$ 85,191</u>	<u>\$ 61,294</u>	<u>\$ 61,294</u>	<u>\$ 8,491</u>	<u>\$ 8,491</u>
Ending Balance as a Percentage of Expend.	64.7%	39.1%	39.1%	4.5%	4.5%



Senator Stephen R. Morris

Senator Christine Downey



Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. –

Bill Sec. –

Analyst: Cawby

Analysis Pg. No. 66

Budget Page No. 181

Expenditure	Agency Est. FY 97	Gov. Rec. FY 97	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,926,689	\$ 2,926,689	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,926,689	\$ 2,926,689	\$ 0
Capital Improvements	750,859	750,859	0
TOTAL	\$ 3,677,548	\$ 3,677,548	\$ 0
State General Fund:			
State Operations	\$ 115,000	\$ 115,000	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 115,000	\$ 115,000	\$ 0
Capital Improvements	455,882	360,882	0
TOTAL	\$ 570,882	\$ 475,882	\$ 0
FTE Positions	18.0	18.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	18.0	18.0	0.0

Agency Est./Governor's Recommendation

The Kansas State Fair estimates current year operating expenditures of \$2,926,689, including \$115,000 from the State General Fund. The estimate is a reduction of \$171,620 (all from agency fee funds) from the amount approved by the 1996 Kansas Legislature. The agency's current year estimate is a reduction in operating expenditures of \$69,872 (2.3 percent) from FY 1996 actual expenditures of \$2,996,561. The major factor in the current year reduction was a \$100,806 (15.7 percent) reduction in fees paid to entertainers. **The Governor concurs** with the agency's estimate of \$2,926,689 for current year operating expenditures.

Senate Ways and Means Committee

Date *2-10-97*

Attachment # *3*


Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's current year recommendations.



Senator Stephen R. Morris

Senator Christine Downey



Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. 178

Bill Sec. 99

Analyst: Cawby

Analysis Pg. No. 66

Budget Page No. 181

Expenditure	Agency Req. FY 98	Gov. Rec. FY 98	Senate Subcom- mittee Adjustments
All Funds:			
State Operations	\$ 3,075,712	\$ 3,055,384	\$(8,732)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 3,075,712	\$ 3,055,384	\$ (8,732)
Capital Improvements	1,450,272	443,000	0
TOTAL	\$ 4,525,984	\$ 3,498,384	\$ (8,732)
State General Fund:			
State Operations	\$ 130,000	\$ 115,000	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 130,000	\$ 115,000	\$ 0
Capital Improvements	1,146,472	104,200	0
TOTAL	\$ 1,276,472	\$ 219,200	\$ 0
FTE Positions	18.0	18.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	18.0	18.0	0.0

Agency Req./Governor's Recommendation

The agency requests FY 1998 operating expenditures of \$3,075,712, of which \$130,000 is from the State General Fund. The agency's request is an increase of \$149,023 (5.1 percent), over the current year estimate and a State General Fund increase of \$15,000 (requested for children's programs) over the current year estimate. The agency's request includes the payment of \$17,076 for the interest on the Grandstand Renovation bonds.

The Governor recommends FY 1998 operating expenditures of \$3,055,384, a reduction of \$20,328 from the agency request. The recommendation includes funding of \$115,000 from the State General Fund (a reduction of \$15,000 from the agency request), and \$2,940,384 from agency fee funds

(a reduction of \$5,328) from the agency request). The recommendation is an increase of \$128,695 (4.4 percent) over the current year recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments and observation.

1. **Delete \$21,519** from the agency's fee funds based on the recommendation to delete funding for classified step movement (\$7,911), the 1.0 classified base salary increase (\$5,152), an unclassified merit pool of 3.5 percent (\$2,701), and the longevity bonus (\$5,755) from individual agency budgets.
2. **Add \$775** for a technical adjustment to reflect 1.0 percent of the unclassified merit pool which was mistakenly omitted in the Governor's recommendations.
3. **Add \$12,012** in temporary salaries to provide for the new Executive Director of the State Fair to work six weeks with the current Director who is planning to retire in December of 1998.
4. **The Subcommittee notes** the agency's review of the proposed grandstand elevator which is estimated to cost approximately double the amount (\$75,000) provided by the 1996 Legislature. **The Subcommittee recommends** that the agency consider other options for handicapped accessible seating which would not require the installation of the elevator and still comply with Americans with Disabilities Act (ADA) standards.



Senator Stephen R. Morris

Senator Christine Downey



Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Grain Inspection Department

Bill No. --

Bill Sec. --

Analyst: Cawby

Analysis Pg. No. 78

Budget Page No. 197

Expenditure	Agency Est. FY 97	Gov. Rec. FY 97	Senate Sub- committee Adjustments
All Funds:			
State Operations	\$ 5,106,095	\$ 5,097,874	\$ 0
Aid to Local Units		0	0
Other Assistance		0	0
Subtotal - Operating	\$ 5,106,095	\$ 5,097,874	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 5,106,095</u>	<u>\$ 5,097,874</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FTE Positions	117.0	117.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u>117.0</u>	<u>117.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The Grain Inspection Department estimates FY 1997 expenditures of \$5,106,095 (excluding federal fees remitted), the amount approved by the 1996 Legislature. The estimate reflects 100 percent funding from the Grain Inspection Fee Fund. The agency estimate is an increase of \$962,442 (23.2 percent) over FY 1996 actual expenditures of \$4,143,653. The Governor recommends FY 1997 expenditures of \$5,097,874 from the Grain Inspection Fee Fund, a reduction of \$8,221 in the Warehouse program. The recommendation increases the turnover rate in the Warehouse program from 5.5 percent to 7.2 percent, resulting in an expenditure limit reduction of \$8,221 from the agency estimate. The Governor concurs with the agency estimate for current year expenditures in the Grain Inspection and Administration programs.


Senate Ways and Means Committee

Date 2-10-97

Attachment # 4


Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's current year recommendations.



Senator Stephen R. Morris

Senator Christine Downey



Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Grain Inspection Department

Bill No. 178

Bill Sec. 98

Analyst: Cawby

Analysis Pg. No. 78

Budget Page No. 197

Expenditure	Agency Req. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 5,054,004	\$ 4,979,101	\$ (49,388)
Aid to Local Units		0	0
Other Assistance		0	0
Subtotal - Operating	\$ 5,054,004	\$ 4,979,101	\$ (49,388)
Capital Improvements	0	0	0
TOTAL	\$ 5,054,004	\$ 4,979,101	\$ (49,388)
State General Fund:			
State Operations	\$ 200,000	\$ 0	\$ 67,881
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 200,000	\$ 0	\$ 67,881
Capital Improvements	0	0	0
TOTAL	\$ 200,000	\$ 0	\$ 67,881
FTE Positions	117.0	117.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	117.0	117.0	0.0

Agency Req./Governor's Recommendation

The agency's FY 1998 request for the Grain Inspection Department totals \$5,054,004 (excluding federal fees remitted). Of the request \$200,000 is from the State General Fund for the Warehouse Program and \$4,854,004 is from the Grain Inspection Fee Fund. The amount requested is a total reduction of \$52,091 (1.0 percent) which reflects a \$200,000 increase in State General Fund funding and a \$252,091 (4.9 percent) reduction in fee fund expenditures from the current year estimate of \$5,106,095.

The Governor recommends FY 1998 expenditures of \$4,979,101, all from the Grain Inspection Fee Fund. The recommendation is a reduction of \$74,903 (1.5 percent) from the agency request, reflecting reductions of \$45,105 in salaries and wages and \$29,798 for travel expenditures in the Warehouse program. The recommendation is also a reduction of \$118,773 from the current year recommendation, with the majority of the reduction (\$109,080) in salaries and wages expenditures. The Governor does not recommend any funding from the State General Fund for the Warehouse program.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments and observations.

1. The Subcommittee notes the following events and information which will impact the Warehouse program in FY 1998.

Cancellation of the Commodity Credit Corporation Agreement. Currently, the Department provides inspections for the Commodity Credit Corporation (CCC) under an annual agreement. As a result of the Federal Agriculture Improvement and Reform Act of 1996, the CCC's role has apparently become diminished in the marketplace by not encouraging stocks to be placed under the price support loan program and continuing the depletion of CCC-owned stocks. During the CCC's review of the Act, they adopted a policy of reimbursing states in FY 1997 for only those warehouse examinations conducted in State-licensed warehouses that have had CCC-owned or loan stocks for the previous 12-month period, from July 1, 1995 to June 30, 1996. The CCC notified the Grain Inspection Department in October of 1996, in light of the reduced workload accompanying these policy implications, that the current Federal warehouse examination workforce is adequate to conduct these examinations, and accordingly all cooperative agreements will be terminated on October 1, 1997.

Fiscal Impact. The fiscal impact of the Commodity Credit Corporation's cancellation of the agreement on the Grain Inspection's Warehouse Program is that approximately 40 percent of the funding from the program will be discontinued. FY 1996 revenue for the contracts was \$223,649 (41.3 percent of Warehouse revenue) and is estimated at \$226,393 for FY 1997 (39.1 percent of Warehouse revenue). **The Subcommittee notes** that the Department was receiving this funding for examinations which it was already conducting under its state regulatory authority, therefore, the Department will experience no accompanying reduction in expenditure requirements due to the cancellation of the agreement.

Program Expenditures. For FY 1998, the agency requested \$200,000 from the State General Fund for the Warehouse Program to replace funding lost by the cancellation of the Commodity Credit Corporation (CCC) agreement. The agency requested the funding as part of a three year plan to make the program self-sufficient. The plan would require State General Fund appropriations of \$200,000 in FY 1998, \$150,000 in FY 1999, \$75,000 in FY 2000 and \$0 in 2001. The plan also includes increasing license fees by 15 percent and fees for functional units by \$50 each of the next three years, and possible staff reductions. The agency believes the program could be self-supporting by 2001. **The Subcommittee notes** that fees were most recently increased in FY 1996 and have been increased several times since 1980.

2. **Warehouse Program Reductions.** **The Subcommittee notes** that the Governor did not provide any of the State General Fund funding requested by the agency for FY 1998. Furthermore, the Subcommittee notes that the Governor recommended a reduction of \$75,161 (15.9 percent) from the agency's request for salaries and wages

in the program to reflect a turnover savings rate of 20.3 percent. The agency testified that the Governor's recommendation would require the agency will hold 2.0 FTE positions vacant in FY 1998. For FY 1997, the Governor recommends an estimated turnover rate of 7.2 percent. The Subcommittee notes that the Governor recommended a reduction of \$29,798 (23.8 percent) from the agency request for other operating expenditures, which appears to reflect expenditures associated with holding positions vacant. **The Subcommittee also notes** the agency's testimony which stated the Governor's recommended reduction would allow for only one warehouse inspection per year.

3. **To address the concerns noted above, the Subcommittee recommends the following changes to the Governor's budget recommendations:**
 - **Add \$33,292 from the State General Fund** for the Warehouse program to be used to offset half of the anticipated 15.0 percent increase in warehouse license fees to reduce the anticipated increase to only 7.5 percent for FY 1998.
 - **Add \$19,690 from the State General Fund** for the Warehouse program to reduce the program's turnover savings rate to 16.2 percent which should result in only 1.0 FTE position being held vacant in the program for FY 1998. The recommendation should also allow for an increase in the number of Warehouse inspections which could occur in FY 1998. The Subcommittee estimates that 1.25 inspections per warehouse could occur in FY 1998 under the recommendations.
 - **Add \$14,899 from the State General Fund** for the Warehouse program to provide \$14,899 in increased operating expenditures associated with providing funding to fill one of the Governor's recommended vacant positions.
4. **Delete \$117,269**, from the Grain Inspection Fee Fund based on the recommendation to delete funding for classified step movement (\$20,105), the 1.0 classified base salary increase (\$31,879), an unclassified merit pool of 3.5 percent (\$1,767), and the longevity bonus (\$63,518) from individual agency budgets.
5. **The Subcommittee notes** that the Senate Agriculture Committee has recommended the introduction of legislation which would privatize the grain inspection function of the agency. The agency testified to the Subcommittee that discussions concerning the privatization of the inspection functions have been considered by interested parties within the Executive Branch and that discussions concerning moving the Warehouse program to the Department of Agriculture have also taken place.
6. **The Subcommittee also notes** the testimony of the agency which indicated that the Grain Inspection program could operate as a private business and possibly at less expense. The agency indicated to the Subcommittee that it could have purchased several items for the agency at a much less cost than it did when it purchased those items off of state contracts.

Performance Measures	Actual FY 1995	Actual FY 1996	Agency Est. FY 1997	Gov. Rec. FY 1998	Subcom. Rec. FY 1998
Number of examinations per warehouse in a one year period	1.4	1.5	1.5	0.8	1.0
Number of facilities audited	439	441	441	224	337
Percent of loss to depositors of grain	0%	0%	0%	--	--

Fee Fund Analysis

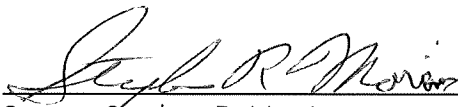
Grain Inspection Fee Fund

	Actual FY 1996	Agency Estimate FY 1997	Gov. Rec. FY 1997	Agency Req. FY 1998	Gov. Rec. FY 1998
Balance Forward	\$ 1,509,919	\$ 1,430,290	\$ 1,430,290	\$ 1,402,146	\$ 1,410,367
Add:					
Receipts	4,126,420	5,218,827	5,218,827	4,681,181	4,681,181
Interest on Fee Fund +	<u>0</u>	<u>69,124</u>	<u>69,124</u>	<u>82,302</u>	<u>82,302</u>
Total Funds Available	\$ 5,636,339	\$ 6,718,241	\$ 6,718,241	\$ 6,165,629	\$ 6,173,850
Less:					
Expenditures	4,055,003	5,106,095	5,097,874	4,854,004	4,979,101
Federal Fees Remitted	<u>151,046</u>	<u>210,000</u>	<u>210,000</u>	<u>200,000</u>	<u>200,000</u>
Ending Balance	<u>\$ 1,430,290</u>	<u>\$ 1,402,146</u>	<u>\$ 1,410,367</u>	<u>\$ 1,111,625</u>	<u>\$ 994,749</u>
Ending Balance as a Percentage of Expenditures	35.3%	27.5%	27.7%	22.9%	20.0%

Grain Inspection Fee Fund—Warehouse Funds Only


	Actual FY 1995	Actual FY 1996	Agency Estimate FY 1997	Gov. Rec. FY 1997	Agency Req. FY 1998	Gov. Rec. FY 1998
Balance Forward	\$ 0	\$ 132,862	\$ 193,841	\$ 193,841	\$ 170,905	\$ 179,126
Add:						
Receipts	547,543	507,421	574,844	574,844	398,594	398,594
Interest on Fee Fund +	0	0	4,800	4,800	0	0
Total Funds Available	\$ 547,543	\$ 640,283	\$ 773,485	\$ 773,485	\$ 569,499	\$ 577,720
Less:						
Expenditures	414,681	446,442	602,580	594,359	397,085	492,126
Ending Balance	\$ 132,862	\$ 193,841	\$ 170,905	\$ 179,126	\$ 172,414	\$ 85,594
Ending Balance as a Percentage of Expenditures	30.7%	42.2%	27.4%	30.1%	42.0%	17.4%

+ Interest is actually part of the general receipts, but is broken out to show revenue contribution.



 Senator Stephen R. Morris

Senator Christine Downey



 Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission

Bill No. –

Bill Sec. –

Analyst: Cawby

Analysis Pg. No. 107

Budget Page No. 491

Expenditure	Agency Est. FY 97	Gov. Rec. FY 97	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,141,607	\$ 2,141,607	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,141,607	\$ 2,141,607	\$ 0
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,141,607</u></u>	<u><u>\$ 2,141,607</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
FTE Positions	8.0	8.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>0.0</u></u>	<u><u>0.0</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency estimates current year expenditures of \$2,141,607, the same as the amount approved by 1996 Legislature, but \$300,000 less than the approved amount as adjusted by the State Finance Council. The increased amount reflects \$300,000 in expenditures from the Wheat Commission Emergency Fund which was approved by the State Finance Council to address cash flow problems in the agency due to the poor wheat harvest. The agency's revised estimate does not include any of the approved expenditures from the emergency fund in FY 1997. The agency does request the transfer of the Emergency Fund balance (\$550,000) to the Wheat Commission Fee Fund in the current year. The action would consolidate all agency funds to the Wheat Commission Fee Fund.

Senate Ways and Means Committee

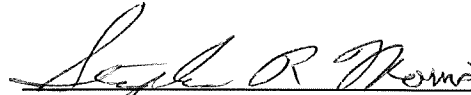
Date 2-10-97

Attachment # 5

The Governor concurs with the agency estimate for current year expenditures. The Governor also recommends the transfer of the Emergency Fund balance (\$550,000) to the Wheat Commission Fee Fund in the current year. No increased expenditures are associated with this recommendation and the Governor does not recommend any increase in expenditures from the balance transferred from the Emergency Fund in FY 1997.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's current year recommendations.



Senator Stephen R. Morris

Senator Christine Downey



Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission

Bill No. 178

Bill Sec. 100

Analyst: Cawby

Analysis Pg. No. 107

Budget Page No. 491

Expenditure	Agency Req. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,669,053	\$ 2,550,224	\$ 23,753
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,669,053	\$ 2,550,224	\$ 23,753
Capital Improvements	0	0	0
TOTAL	\$ 2,669,053	\$ 2,550,224	\$ 23,753
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
FTE Positions	8.0	8.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

Agency Req./Governor's Recommendation

The Kansas Wheat Commission requests FY 1998 expenditures of \$2,669,053, all from the Wheat Commission Fee Fund. The amount requested is an increase of \$527,446 (24.6 percent) over the current year estimate of \$2,141,607. The request reflects increases of \$19,795 in salaries and wages, \$378,051 in marketing and research contracts, and \$58,600 in capital outlay for a computer system (\$35,780), vehicle replacement (\$34,320) and other items (\$8,500). The FY 1998 request is an increase of \$544,126 (25.6 percent) over FY 1996 actual expenditures. The agency's FY 1998 request, proportioned by object of expenditure, is summarized in the chart below.

The Governor recommends FY 1998 expenditures of \$2,550,224 from the Wheat Commission Fee Fund, a reduction of \$118,829 (4.5 percent) from the agency request, but an increase of \$408,617 (19.1 percent) over the current year recommendation. The recommendation includes reductions from

the agency request of \$55,000 in contractual services, \$57,620 in capital outlay, and \$5,709 in salaries and wages.

Marketing and Research Contracts. The Commission's request for marketing and research contracts in FY 1998 totals \$1,836,000, an increase of \$378,051 (25.9 percent) from the revised FY 1997 estimate of \$1,457,949. **The Governor recommends** \$1,796,000 for research and marketing contracts in FY 1998. The recommendation is a reduction of \$40,000 from the agency request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments and recommendations.

1. **Add \$35,780** from the agency's fee fund to provide funding for the upgrade of the agency's computers, the creation of an office network environment and to provide Internet access for the agency. The Subcommittee recommends that the agency consult with the Division of Information Systems and Communications (DISC) prior to the equipment purchase to ensure that system is both efficient adequate for the agency's needs. The Subcommittee also encourages the agency to work with DISC to create a system that will provide the opportunity for inter-connectivity with the State of Kansas's computer systems, as well as with other state and federal agencies which the Commission communicates with on a regular basis.
2. **Delete \$12,027** from the Wheat Commission Fee Fund based on the recommendation to delete funding for classified step movement (\$2,505), the 1.0 classified base salary increase (\$2,063), an unclassified merit pool of 3.5 percent (\$4,049), and the longevity bonus (\$3,410) from individual agency budgets.

Fee Fund Analysis

Wheat Commission Fee Fund

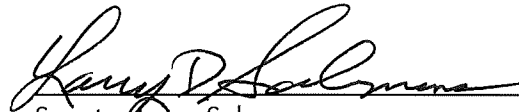
	Actual FY 96	Subcom. Rec. FY 97*	Subcom. Rec. FY 98
Balance Forward	\$ 1,006,481	\$ 577,929	\$ 997,722
Add: Receipts	1,694,375	2,011,400	2,700,000
Emergency Fund Transfer	0	550,000	0
Total Funds Available	\$ 2,700,856	\$ 3,139,329	\$ 3,697,722
Less: Expenditures	2,122,927	2,141,607	2,573,977
Ending Balance	<u>\$ 577,929</u>	<u>\$ 997,722</u>	<u>\$ 1,123,745</u>
Ending Balance as a Percentage of Expenditures	27.2%	46.6%	43.7%

* The FY 1997 Governor's recommendation eliminates the Wheat Commission Emergency Fund and transfers it to the Wheat Commission Fee Fund.



Senator Stephen R. Morris

Senator Christine Downey



Senator Larry Salmans

SUBCOMMITTEE REPORT

Agency: Kansas Water Office

Bill No. --

Bill Sec. --

Analyst: Cawby

Analysis Pg. No. 90

Budget Page No. 490

Expenditure Summary	Agency Est. FY 97	Gov. Rec. FY 97	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 10,901,356	\$ 10,904,335	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 10,901,356</u>	<u>\$ 10,904,335</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 10,901,356</u></u>	<u><u>\$ 10,904,335</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,253,991	\$ 1,257,469	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 1,253,991</u>	<u>\$ 1,257,469</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,253,991</u></u>	<u><u>\$ 1,257,469</u></u>	<u><u>\$ 0</u></u>
FTE Positions	22.0	22.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u><u>23.0</u></u>	<u><u>23.0</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency estimates \$10,901,356 in operating expenditures for the current year, an increase of \$2,379,157 over the amount approved by the 1996 Legislature. Estimated operating expenditures include \$1,253,991 from the State General Fund, \$2,027,960 from the State Water Plan Fund, and \$7,619,405 from all other special revenue funds. The increase over the approved amount is attributable to the following items:

- ◆ Requested **supplemental State General Fund appropriation of \$25,000** to pay operation and maintenance costs of storage space at Cedar Bluff Reservoir.
- ◆ **The purchase of additional storage space (\$1,972,310)** from the Water Supply Storage Acquisition Financing Fund, financed through a loan from the Pooled Money Investment Board (PMIB) which is authorized by K.S.A. 82a-1370.

Senate Ways and Means Committee

Date *2-10-97*

Attachment # *6*

- ◆ **Carry-forward of unencumbered State Water Plan Funds (\$324,034)**, including operation and maintenance expenditures associated with the storage space purchased with the PMIB loan (\$297,796).
- ◆ **Higher than anticipated payments from other no-limit funds (\$57,848).**

The Governor recommends \$10,904,335 for operating expenditures in FY 1998, an increase of \$2,979 over the agency request. The recommendation includes \$1,257,469 from the State General Fund, which is an increase of \$3,478 over the agency request. The State General Fund recommendation includes the requested supplemental funding of \$25,000 for the current year and an additional \$3,478 from the State General Fund for general agency operating expenditures. The Governor's recommendation also includes \$2,027,461 from the State Water Plan Fund, including a \$499 reduction in State Water Plan Fund funding from the agency request. The Governor concurs with the agency's estimate for expenditures from all other funding sources (\$7,619,405).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1997 recommendation.



Senator Dave Kerr
Subcommittee Chair

Senator Christine Downey

Senator Pat Ranson

SUBCOMMITTEE REPORT

Agency: Kansas Water Office

Bill No. 178

Bill Sec. 102

Analyst: Cawby

Analysis Pg. No. 90

Budget Page No. 490

Expenditure Summary	Agency Est. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 6,557,849	\$ 5,196,426	\$ 88,007
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 6,557,849</u>	<u>\$ 5,196,426</u>	<u>\$ 88,007</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 6,557,849</u></u>	<u><u>\$ 5,196,426</u></u>	<u><u>\$ 88,007</u></u>
State General Fund:			
State Operations	\$ 1,321,890	\$ 1,296,821	\$ (40,269)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 1,321,890</u>	<u>\$ 1,296,821</u>	<u>\$ (40,269)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,321,890</u></u>	<u><u>\$ 1,296,821</u></u>	<u><u>\$ (40,269)</u></u>
FTE Positions	23.0	21.5	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>
TOTAL	<u><u>23.0</u></u>	<u><u>22.5</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency requests a total of \$6,557,849 for FY 1998, of which \$1,321,890 is from the State General Fund. The request is an increase of \$67,899 from the State General Fund, including \$34,955 for salaries and wages and \$32,944 for other operating expenditures. The remainder of the FY 1998 request (\$5,235,959) is a special revenue funds reduction of \$4,411,406 from the current year estimate of \$9,647,365. **The requested change from the current year** reflects: **reductions** for the one-time purchase of storage space in FY 1997 (\$1,972,310), the payment of a PMIB loan (\$4,235,944) in FY 1997, and no FY 1998 expenditures from federal sources (\$32,081), and **offsetting increases** of \$1,625,466 from the State Water Plan Fund for programs and water supply acquisition, \$197,878 in payments from the Water Marketing Fund, and \$5,585 for other minor increases in salaries and wages (\$2,140) and water supply storage (\$3,445)

The Governor recommends \$5,196,426 for operating expenditures in FY 1998, a reduction of \$1,361,423 from the agency request. The reduction from the agency request reflects: enhancements

which were not funded by the Governor (\$1,300,500), net reductions in salaries and wages reflecting a 0.5 FTE reduction (\$3,140), and other reductions from the request in other operating expenditures (\$57,783). The recommendation reflects \$1,296,821 from the State General Fund, \$2,319,212 from the State Water Plan Fund, and \$1,580,393 from all other funding sources.

Enhancements included in the agency's FY 1998 budget request include:

- ◆ The conversion of the existing **Geographic Information System Coordinator** position, from an unclassified temporary position to an FTE position. **The Governor recommends** continuation of the position as an unclassified temporary position.

- ◆ **Water Plan Programs.** The agency requests **\$495,500 in contractual services from the State Water Plan Fund** for enhancements in State Water Plan programs contracts. **The Governor recommends** \$291,500 from the State Water Plan for funding the requested State Water Plan Program enhancements. The requested enhancements include:
 - **\$100,000 for feedlot water quality research** to study the effects of corporate farming operations in southwest Kansas on water quality. The study, which would conclude in 2000, would build upon current research by Kansas State University. With the requested funds, the Water Office would contract with Kansas State University for the research and the would then pass along the resulting information to the Department of Health and Environment to be used in the analysis and implementation of their programs. **The Governor concurs** with the requested enhancement.

 - **\$190,000 to expand the weather modification (hail suppression) project** from southwest Kansas to northwest Kansas. According to the agency, Northwest Kansas Ground Water Management District No. 4 has voted to increase its 1997 budget by \$181,000 to match the funding and other local government entities have expressed interest. **The Governor concurs** with the requested enhancement. The recommendation would provide a total of \$390,000 in FY 1998 for the weather modification project.

 - **\$5,500 for a stream gauging station on the Arkansas River** near Nickerson as part of the Equus Beds Aquifer saltwater intrusion study. **The Governor recommends \$1,500** for the requested enhancement. The recommendation would provide a total of \$346,000 in FY 1998 for the stream gauging program.

 - **\$200,000 to provide additional technical assistance** to water users for water conservation. The request reflects a shift of \$200,000 current funding for the technical assistance program to public water supplies in the Department of Health and Environment to the Kansas Water Office. The agency's current service

level for FY 1998 includes \$225,000 in technical assistance. **The Governor does not recommend the agency's requested enhancement of \$200,000.** The recommendation would maintain the level of \$225,000 for technical assistance in the agency.

- ◆ **Water Supply Acquisition - Milford and Perry.** The agency requests **\$1,096,500 from the State Water Plan Fund** for capital costs (\$840,850) and operation and maintenance costs (\$255,650) associated with contracts already signed with the U.S. Corps of Engineers for 300,000 acre-feet of storage space in Milford Reservoir and 150,000 acre-feet of storage space in Perry Reservoir. The agency requests that a "savings account" be developed, seeded with the requested funding, to act as a standby account for the time when the state would call the storage into services. **The Governor does not recommend** this requested enhancement.

Senate Subcommittee Recommendation

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

1. **Delete \$70,000 (State Water Plan Fund) from the Governor's recommended \$190,000 weather modification enhancement.** Under the Subcommittee's recommendation, the FY 1998 level of funding for the entire weather modification project would be \$320,000, an increase of \$225,000 over the current year recommendation of \$95,000.
2. **Add \$200,000 from the State Water Plan Fund for the requested technical assistance enhancement.** The recommendation provides for the shift of funding for technical assistance currently provided in the Department of Health and Environment under the Governor's FY 1998 recommendation. The Subcommittee notes that the recommended shift to the Kansas Water Office combines similar activities which are occurring in two separate agencies.

Currently, the KDHE program provides funding to contract with the Kansas Rural Water Association to carry out water supply and distribution system improvements through on-site assistance. The Kansas Water Office program contracts mainly with Groundwater Management Districts to increase water conservation among high water users and irrigators. Through the shift, the Subcommittee hopes to provide for greater efficiencies in the program and to foster more accountability to the program which would encompass both municipal water and irrigation systems. The Subcommittee encourages the Senate Ways and Means Subcommittee on the Department of Health and Environment to concur with this recommended shift.

3. **The Subcommittee notes** the Governor's recommendation to provide only \$1,500 of the requested \$5,500 enhancement for stream monitoring on the Arkansas River. The Subcommittee also notes that the saltwater intrusion in the Equus Beds region is a genuine concern to the Subcommittee. It is the understanding of the Subcommittee that the proposed monitoring on the Arkansas River will occur out of the Governor's recommended FY 1998 resources for the stream gauging program (\$346,000).

4. **Delete \$41,993**, including \$40,269 from the State General Fund, based on the recommendation to delete funding for classified step movement (\$15,407), the 1.0 classified base salary increase (\$9,654), an unclassified merit pool of 3.5 percent (\$4,215), and the longevity bonus (\$12,717) from individual agency budgets.



Senator Dave Kerr
Subcommittee Chair

Senator Christine Downey

Senator Pat Ranson

SUBCOMMITTEE REPORT

Agency: State Conservation Commission

Bill No. --

Bill Sec. --

Analyst: Cawby

Analysis Pg. No. 52

Budget Page No. 119

Expenditure	Agency Est. FY 97	Gov. Rec. FY 97	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,674,408	\$ 1,674,408	\$ 0
Aid to Local Units	2,968,763	2,868,763	500
Other Assistance	7,998,341	7,248,341	0
Subtotal - Operating	\$ 12,641,512	\$ 11,791,512	\$ 500
Capital Improvements	0	0	0
TOTAL	\$ 12,641,512	\$ 11,791,512	\$ 500
State General Fund:			
State Operations	\$ 525,870	\$ 525,870	\$ 0
Aid to Local Units	2,168,763	2,068,763	0
Other Assistance	3,831,237	3,931,237	0
Subtotal - Operating	\$ 6,525,870	\$ 6,525,870	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 6,525,870	\$ 6,525,870	\$ 0
FTE Positions	14.0	14.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	14.0	14.0	0.0

Agency Estimate/Governor's Recommendation

The agency's revised estimate for FY 1997 totals \$12,641,512, including \$6,525,870 from the State General Fund, \$5,989,534 from the State Water Plan Fund, and \$126,108 from all other funds. The revised estimate is an increase of \$1,642,954 (15.0 percent) over the approved budget, all from special revenue funds. The increase reflects \$1,613,892 in State Water Plan funding reappropriated to FY 1997 and \$29,062 from Watershed Protection federal grants carried forward to the current year. Estimated State Water Plan expenditure increases are found in the Non-point Source Pollution program (\$986,418), the Riparian and Wetlands program (\$178,758), the Water Resources Cost Share program (\$327,535), and Watershed Dam Construction State Aid (\$121,181). The current year State General Fund approved amount includes \$2,001 from a Kansas Quality Management reappropriation. The agency estimate is an increase of \$2,176,523 (20.8 percent) over FY 1996 actual expenditures.

Senate Ways and Means Committee

Date *2-10-97*

Attachment # *7*

The Governor recommends FY 1997 expenditures of \$11,791,512, a reduction of \$850,000 from the agency's current year estimate. (**Staff Note:** The recommended reduction by the Governor appears to correct an oversight made in the FY 1997 appropriation and the agency's subsequent overstatement of the estimate by \$850,000. Due to the oversight, the 1996 appropriations bill provided the agency with an additional \$850,000 in FY 1997 expenditure authority over the legislative authorized amount. Consequently, the agency requested all available approved funding for FY 1997, which was overstated by \$850,000.)

Supplemental Request. For FY 1997, the agency requests clarification in the appropriations language which would allow it to expend \$16,750, from State Water Plan funds, previously approved by the 1996 Legislature for general operating expenditures in the agency (Administration program). The agency states that the appropriations language was too vague to allow for the budgeted expenditures. **The Governor concurs** with the previously approved expenditure of \$16,750, from the State Water Plan Fund, for general operating expenditures in the agency.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment

1. Add \$500 in additional expenditures authority and transfer from the State Water Plan Fund for Conservation District Aid for FY 1997. The Subcommittee recommends the amount to correct a technical error made in the agency request for aid to Sheridan County.



Senator Dave Kerr
Subcommittee Chair

Senator Christine Downey

Senator Pat Ranson

SUBCOMMITTEE REPORT

Agency: State Conservation Commission

Bill No. 178

Bill Sec. 101

Analyst: Cawby

Analysis Pg. No. 52

Budget Page No. 119

Expenditure	Agency Req. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,923,409	\$ 1,523,257	\$ (10,624)
Aid to Local Units	2,816,500	2,334,400	0
Other Assistance	7,140,616	6,567,100	0
Subtotal - Operating	\$ 11,880,525	\$ 10,424,757	\$ (10,624)
Capital Improvements	0	0	0
TOTAL	\$ 11,880,525	\$ 10,424,757	\$ (10,624)
State General Fund:			
State Operations	\$ 586,603	\$ 557,589	\$ (8,165)
Aid to Local Units	2,016,500	1,816,500	0
Other Assistance	3,983,500	4,183,500	0
Subtotal - Operating	\$ 6,586,603	\$ 6,557,589	\$ (8,165)
Capital Improvements	0	0	0
TOTAL	\$ 6,586,603	\$ 6,557,589	\$ (8,165)
FTE Positions	14.0	14.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	14.0	14.0	0.0

Agency Request/Governor's Recommendation

The State Conservation Commission requests a total of \$11,880,525 for FY 1998, which is a reduction of \$760,987 from the current year estimate. The request includes \$6,586,603 from the State General Fund, \$5,193,988 from the State Water Plan Fund, and \$99,934 from the Land Reclamation Fee Fund. The request reflects a State Water Plan funding reduction of \$795,546 (13.3 percent) from the current year estimate, which includes a reduction of \$1,009,988 in other assistance and an offsetting increase of \$214,442 in other operating expenditures. The requested increase from the State General Fund (all in the Administration Program) includes \$14,562 (3.0 percent) for salaries and wages and \$46,171 (111.0 percent) for other operating expenditures. The bulk of the requested reduction is in the Water Resources Cost-Share Program (\$327,535), 43.0 percent of the reduction, and in the Riparian Wetlands Program (\$207,820), 27.3 percent of the reduction.

The Governor recommends FY 1998 expenditures of \$10,424,757, a reduction of \$1,455,768 (12.3 percent) from the agency request and a reduction of \$1,366,755 (11.6 percent) from the current year recommendation. The recommendation includes \$6,557,589 from the State General Fund, \$3,766,500 from the State Water Plan Fund, and \$100,668 from the Land Reclamation Fee Fund. The majority of the reduction (84.3 percent) from the agency request reflects \$827,488 (56.8 percent) for the requested enhancement in the Non-Point Source Pollution program which was not recommended, and a \$400,000 (27.5 percent) reduction in the Water Resources Cost-Share Program. Of the Governor's recommended reductions from the agency request, \$400,152 is in state operations, \$482,100 is in aid to local units, and \$573,516 is in other assistance payments.

Enhancement. The agency's FY 1998 request includes an enhancement of \$827,488, from the State Water Plan Fund, in the Non-Point Source (NPS) Pollution program. The request would provide \$206,872 to contract technical assistance for NPS planning and projects and \$620,616 to provide financial assistance to local land owners for NPS projects. The agency requests the enhancement to fund an increase in NPS project work plans from 58 conservation districts (counties) to 78 new conservation districts with approved strategic based management plans. **The Governor recommends an enhancement of \$282,100 for the program**, for total NPS program expenditures of \$2,482,100 from the State Water Plan Fund, including \$815,000 in operating expenditures for technical assistance and \$1,667,100 for assistance payments.

Senate Subcommittee Recommendation

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

1. **Add \$9,265 from the State General Fund to upgrade the automation of the agency's contracting and payment processes.** The Subcommittee's recommendation includes the conversion of all payment process to STARS, the upgrade of three computers, completion of the agency's local area network, and provides access to the Internet and E-Mail for selected staff.
2. **Delete \$19,889**, including \$17,430 from the State General Fund, based on the recommendation to delete funding for classified step movement (\$3,139), the 1.0 classified base salary increase (\$2,015), an unclassified merit pool of 3.5 percent (\$11,511), and the longevity bonus (\$3,224) from individual agency budgets.
3. **Amend the following Governor's recommended FY 1998 performance level from 78 counties to 68 counties**, which more accurately reflects the Governor's recommended enhancement of \$282,100 for the Non-Point Source Pollution program. The Subcommittee notes that the Governor's recommendation provided no adjustment for the portion of the requested enhancement for the NPS program which was not recommended.

Performance Measure	Actual FY 1996	Agency Est. FY 1997	Agency Req. FY 1998	Gov. Est. FY 1998
Number of counties with approved non-point source pollution project work plans	41	58	78	68



Senator Dave Kerr
Subcommittee Chair

Senator Christine Downey

Senator Pat Ranson

SUBCOMMITTEE REPORT

Agency: Wildlife and Parks

Bill No. --

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 177

Budget Page No. 495

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 26,927,544	\$ 26,964,298	\$ 0
Aid to Local Units	971,141	971,141	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 27,898,685	\$ 27,935,439	\$ 0
Capital Improvements	13,710,644	22,210,567	0
TOTAL	\$ 41,609,329	\$ 50,146,006	\$ 0
State General Fund:			
State Operations	\$ 3,813,577	\$ 3,832,112	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 3,813,577	\$ 3,832,112	\$ 0
Capital Improvements	961,593	9,517,349	0
TOTAL	\$ 4,775,170	\$ 13,349,461	\$ 0
FTE Positions	404.8	402.8	0.0
Unclassified Temp. Positions	11.0	11.0	0.0
TOTAL	415.8	413.8	0.0

Agency Estimate/Governor's Recommendation

The agency's revised FY 1997 estimate is \$27,898,685, or \$332,384 more than the amount approved by the 1996 Legislature. Of the total estimate, \$3,813,577 is from the State General Fund and \$24,085,108 is from other funds. The estimate for spending from the State General Fund is \$3,138 less than the amount approved and the estimate for spending from special revenue funds is \$335,522 more than the amount approved.

The Governor recommends an operating budget of \$27,935,439, which is an increase of \$369,138 over the approved budget; most of the increase is in special revenue funds. The Governor recommends three State General Fund supplemental appropriations which are summarized below.

Senate Ways and Means Committee

Date *2-10-97*

Attachment # *8*

El Dorado State Park Payment. The Governor recommends \$8,170,756 from the State General Fund as a supplemental appropriation for payment to the federal government of construction costs for recreational development of El Dorado State Park. The federal government has agreed to accept this amount to satisfy the state's obligation for the El Dorado park.

Computer System Upgrade. The Governor recommends \$128,100 (of which \$38,430 is from the State General Fund) to allow the Department to add a Local Area Network (LAN) in the Office of the Secretary, upgrade an existing LAN at the Department's Pratt Office, and provide computerized communication to agency offices statewide.

Flood Damage Repair. The Governor also includes supplemental funding of \$385,000 from the State General Fund to allow the Department to continue repairs of facilities damaged by floods that occurred in 1993 and 1995.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 1997.



Senator Dave Kerr, Chair

Senator Pat Ranson

Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Wildlife and Parks

Bill No. 178

Bill Sec. 103

Analyst: Mills

Analysis Pg. No. 177

Budget Page No. 495

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 27,880,073	\$ 27,767,881	\$ (688,397)
Aid to Local Units	625,000	625,000	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 28,505,073</u>	<u>\$ 28,392,881</u>	<u>\$ (688,397)</u>
Capital Improvements	5,923,500	4,443,833	0
TOTAL	<u><u>\$ 34,428,573</u></u>	<u><u>\$ 32,836,714</u></u>	<u><u>\$ (688,397)</u></u>
State General Fund:			
State Operations	\$ 4,683,777	\$ 4,628,771	\$ (114,206)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 4,683,777</u>	<u>\$ 4,628,771</u>	<u>\$ (114,206)</u>
Capital Improvements	1,115,700	190,700	0
TOTAL	<u><u>\$ 5,799,477</u></u>	<u><u>\$ 4,819,471</u></u>	<u><u>\$ (114,206)</u></u>
FTE Positions	404.8	402.8	0.0
Unclassified Temp. Positions	4.0	3.0	0.0
TOTAL	<u><u>408.8</u></u>	<u><u>405.8</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The agency requests FY 1998 operating expenditures of \$28,505,073, an increase of \$606,388 or 2.2 percent above the revised FY 1997 estimate. Of the total FY 1998 request, \$4,683,777, or 16.4 percent, is financed from the State General Fund; and \$23,821,296, or 83.6 percent, is financed from agency special revenue funds. Of the requested increase, \$870,200 is from the State General Fund, with a decrease of \$263,812 in spending from special revenue funds.

The Governor recommends \$28,392,881 for operating expenditures in FY 1998, which is a 1.6 percent increase over the current year recommendation. The recommendation is composed of \$4,628,771 from the State General Fund and \$23,764,110 from special revenue funds. The Governor recommends continuation of 402.8 FTE positions.

Pay Plan Adjustments. The agency requests \$188,719 (including fringe benefits) for classified step movement, \$6,935 for a 2.5 percent unclassified merit pool, and \$168,440 for longevity pay.

The Governor recommends \$188,719 (including fringe benefits) for classified step movement, \$12,075 for unclassified merit, and \$188,200 for longevity pay. The Governor also recommends a 1.0 percent base salary adjustment (\$143,882).

Shrinkage Rate. The agency requests a shrinkage rate of 2.0 percent (\$351,659) in FY 1998 and 3.0 percent (\$517,496) in FY 1997.

The Governor recommends a 2.0 percent (\$344,576) shrinkage rate in FY 1998 and 3.0 percent (\$517,046) in FY 1997.

Enhancement Packages. The Department is requesting four enhancement packages totaling \$434,980 (of which \$46,430 is from the State General Fund). The enhancement packages, which are discussed in the budget detail below, are ranked by the Department in the following priority order:

1. implement Harvest Inventory Program (\$30,480);
2. enhanced state parks improvements (\$233,900);
3. upgrade computer systems (\$128,100); and
4. enhanced public service and education (\$42,500).

The Governor recommends funding for the Harvest Inventory Program (\$30,480), enhanced state parks operations (\$233,900), and the education and public service enhancement (\$42,500). The Governor recommends the computer systems upgrade in FY 1997.

Flood Damage Repair. During the summers of both 1993 and 1995, severe flooding caused widespread damage at many of the Department's properties: several state parks were wholly or partially closed due to flooding. **For FY 1998, the agency requests \$385,000 (State General Fund) to continue flood damage repair at the affected properties.** (Staff Note: The Legislature has approved flood damage repair funding of \$500,000 (SGF) for FY 1994; \$1.0 million (SBSF) for FY 1995; \$750,000 (\$650,000 SGF and \$100,000 SBSF) for FY 1996; and \$385,000 (SGF) in FY 1997.) In addition, the Department received federal funding of \$375,000 from the Bureau of Reclamation. Total repair costs for the 1993 and 1995 flooding are estimated at \$4.877 million. The Department requests \$385,000 for flood damage repair in FY 1998.

The Governor recommends no funding for flood repair in FY 1998, but rather shifts this amount to the current year.

Federal Aid Diversion Repayment. Since 1993, the Department has been involved with the federal government as a result of improper expenditures of fish and wildlife program revenues, including federal aid reimbursements, and is attempting to comply with the requirements established by the U.S. Fish and Wildlife Service (USFWS) to remain eligible for federal aid. The initial federal audit, for the period of FY 1989-FY 1992, found that the amount in diversion was \$1.9 million. Prior Legislatures have approved funding to satisfy this obligation. The audit for the period of FY 1993-FY 1994 revealed a

diversion of \$1.7 million; the 1996 Legislature approved the FY 1997 transfer of \$720,073 from the State General Fund, the Wildlife Fee Fund (and the transfer of \$114,625 from the Boating Fee Fund to the Wildlife Fee Fund) to satisfy the first payment on the FY 93-94 diversion. The Department requests similar amounts in FY 1998 to satisfy the last payment on this diversion.

The Governor recommends a State General Fund appropriation in FY 1998 of \$720,073 (and the transfer of \$114,625 from the Boating Fee Fund to the Wildlife Fee Fund) to satisfy the last payment of the FY 93-94 diversion repayment.

Senate Subcommittee Recommendation

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

1. Delete \$673,897, including \$106,206 from the State General Fund, based on the recommendation to delete funding for classified step movement (\$292,459), the 1.0 percent classified base salary increase (\$144,575), the unclassified 3.5 percent merit pool (\$14,073), and the longevity bonus (\$222,790) from individual agency budgets.
2. Delete \$8,000 (State General Fund) of the enhancement recommended by the Governor for additional operating expenditures for the Prairie Spirit Rail Trail, until more is known about the expected future operation of the Trail. The Governor had recommended an enhancement of \$10,000 (\$8,000 SGF and \$2,000 from the Prairie Spirit Rail Trail Fund). The recommendation of the Senate Subcommittee deletes the State General Fund portion of the enhancement. This enhancement would be in addition to the \$25,000 already budgeted for operation of the trail.
3. Delete \$6,500 (Wildlife Fee Fund) which is an enhancement recommended by the Governor for expansion of the "Becoming An Outdoors Woman" program; this program is designed to provide opportunities for women to learn outdoor recreational skills. The Senate Subcommittee recommends no expansion of this program at this time; the recommendation leaves intact the \$35,000 already budgeted for the program.
4. The Senate Subcommittee reviewed the performance measures for each of the operational divisions of the Department of Wildlife and Parks. The Senate Subcommittee expresses the concern that some of the agency's performance indicate a slackening of efforts toward more efficiency and effectiveness. For example, in the Law Enforcement Division, the performance measures on the compliance rates with wildlife and boating laws show a decrease from actual FY 1996 to FY 1997 and FY 1998: the wildlife compliance rate decreases from 94.4 percent and the boating compliance rate decreases from 82.6 percent to 80.0 percent. The Senate Subcommittee expresses the concern that all performance measures should be refined to make the out-year measures more challenging and a goal for improvement.



Senator Dave Kerr, Chair

Senator Pat Ranson

Senator Christine Downey