

Approved: 3-11-98  
Date

## MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 8:00 a.m. on March 6, 1998 in Room 514-S of the Capitol.

All members were present except: Representative Ed McKechnie - Excused  
Representative Greg Packer - Excused  
Representative JoAnn Pottorff - Excused

Committee staff present: Alan Conroy, Stuart Little, Reed Holwegner, Russell Mills, Legislative Research Department;  
Mike Corrigan, Revisor of Statutes Office;  
Helen Abramson, Administrative Aide; Linda Swain, Appropriations Secretary

Conferees appearing before the committee:  
Representative Jim Morrison

Others attending: See attached list

Representative Holmes reported for the House Subcommittee on the Department of Wildlife and Parks (Attachment 1). The Subcommittee concurred with the Governor's report for FY 98 and FY 99 with seventeen adjustments and additional recommendations. An extensive discussion followed.

A substitute conceptual motion was made by Representative Helgerson, seconded by Representative Holmes to amend the subcommittee report concerning paragraph #8 to include language that the Chairman of Appropriations would request an interim study be conducted by the Budget Committee or some other committee to review the state park fee structure, including possibility of eliminating the exemption for entrance fees by senior citizens and handicapped individuals, and charging additional fees for non-residents. The funds would be used for further maintenance and upkeep of the facilities used by all parties. The motion carried.

A motion was made by Representative Holmes, seconded by Representative Feuerborn to adopt the Subcommittee report for the Department of Wildlife and Parks for FY 98 and FY 99 as amended. An extensive discussion followed.

A substitute motion was made by Representative Toplikar, seconded by Representative Landwehr to conceptually amend the bill recommended for introduction in paragraph #8 of the FY 1999 Subcommittee report to include language to say "with the priority that the money (from the handicapped and senior citizens) be used to maintain facilities at the state park for these individuals". An extensive discussion followed. The motion failed.

A vote was taken on the original motion made by Representative Holmes, seconded by Representative Feuerborn to adopt the Subcommittee report for the Department of Wildlife and Parks for FY 98 and FY 99 as amended. The motion carried.

Representative Peterson reported for the House Subcommittee on the Department of Agriculture (Attachment 2). The Subcommittee concurred with the Governor's recommendation for FY 98 with one comment.

A motion was made by Representative Peterson, seconded by Representative Feuerborn to adopt the Subcommittee report on the Department of Agriculture for FY 98. The motion carried.

Representative Peterson reported the Subcommittee concurred with the Governor's recommendation for FY 99 with five adjustments, recommendations and observations.

A motion was made by Representative Peterson, seconded by Representative Feuerborn to adopt the Subcommittee report on the Department of Agriculture for FY 99. A discussion followed.

A motion was made by Representative Neufeld, seconded by Representative Holmes to amend the report to include the recognition of the potential move of the Department of Agriculture; and if the figures are available, any additional leasing costs should be reviewed during omnibus. The motion carried.

A vote was taken on the motion made by Representative Peterson, seconded by Representative Feuerborn to adopt the Subcommittee report on the Department of Agriculture for FY 99 as amended. The motion carried.

Representative Holmes reported for the House Subcommittee on the State Conservation Commission (Attachment 3). The Subcommittee concurred with the Governor's recommendations for FY 98.

A motion was made by Representative Holmes, seconded by Representative Feuerborn to adopt the Subcommittee report on the State Conservation Commission for FY 98. The motion carried.

Representative Holmes reported the Subcommittee concurred with the Governor's recommendations for FY 99 with six adjustments, recommendations, and observations.

A motion was made by Representative Holmes, seconded by Representative Feuerborn to adopt the Subcommittee report on the State Conservation Commission for FY 99. A discussion followed. The motion carried.

Representative Feuerborn reported for the House Subcommittee on the Kansas State Fair (Attachment 4). The Subcommittee concurred with the Governor's recommendations for FY 98 with one adjustment.

A motion was made by Representative Feuerborn, seconded by Representative Holmes to adopt the Subcommittee report on the Kansas State Fair for FY 98. The motion carried.

Representative Feuerborn reported the Subcommittee concurred with the Governor's recommendations for FY 99 with five adjustments, recommendations, and observations.

A motion was made by Representative Feuerborn, seconded by Representative Holmes to adopt the Subcommittee report on the Kansas State Fair for FY 99. The motion carried.

Representative Peterson reported for the House Subcommittee on the Grain Inspection Department (Attachment 5). The Subcommittee concurred with the Governor's recommendations for FY 98 with one observation. Since the Department is being abolished by the 1997 Sub. for SB 317, there was no recommendation for FY 99.

A motion was made by Representative Peterson, seconded by Representative Holmes to adopt the Subcommittee report on the Grain Inspection Department for FY 98. The motion carried.

Representative Holmes reported for the House Subcommittee on the Kansas Water Office (Attachment 6). The Subcommittee concurred with the Governor's recommendations for FY 98.

A motion was made by Representative Holmes, seconded by Representative Feuerborn to adopt the Subcommittee report on the Kansas Water Office for FY 98. The motion carried.

Representative Holmes reported the Subcommittee concurred with the Governor's recommendations for FY 99.

A motion was made by Representative Holmes, seconded by Representative Feuerborn to adopt the Subcommittee report on the Kansas Water Office for FY 99. The motion carried.

Representative Peterson reported for the House Subcommittee on the Kansas Wheat Commission (Attachment 7). The Subcommittee concurred with the Governor's recommendations for FY 98 and with the recommendations for FY 99 with three adjustments, recommendations and observations.

A motion was made by Representative Peterson, seconded by Representative Feuerborn to adopt the Subcommittee report on the Kansas Wheat Commission for FY 98 and FY 99. A brief discussion followed. The motion carried.

Representative Feuerborn reported for the House Subcommittee on the Animal Health Department (Attachment 8). The subcommittee concurred with the Governor's recommendations for FY 98 and with the recommendations for FY 99 with three adjustments, recommendations, and observations.

A motion was made by Representative Feuerborn, seconded by Representative Peterson to adopt the Subcommittee report on the Animal Health Department for FY 98 and FY 99. A discussion followed.

A substitute motion was made by Representative Landwehr, seconded by Representative Farmer to change the funding source for the newly created position of Animal Facility Inspector, from State General Funds to the Fee Fund; and include an amplification of the salary benefits to show the salary of \$26, 643 includes salary and benefits. A discussion followed. The motion failed.

A vote was taken on the original motion made by Representative Feuerborn, seconded by Representative Peterson to adopt the Subcommittee report on the Animal Health Department for FY 98 and FY 99. The motion carried.

A proposed substitute for HB 2704 was distributed to the committee.

Julian Efird explained the changes in his bill brief (Attachment 9). He also noted a change not written up on

the bill brief -- Page 4 of the Substitute Bill, line 7 was changed from " the council shall hold at least six meetings a year "to the council shall hold meetings". A discussion followed.

Representative Jim Morrison made some additional comments on technical changes that should be made.

A motion was made by Representative Dean, seconded by Representative Helgerson to amend the Substitute Bill to include the referenced technical changes. The motion carried.

A motion was made by Representative Dean, seconded by Representative Helgerson to pass the Substitute for HB 2704 as amended. The motion carried.

The meeting adjourned at 9:50 a.m. The next meeting is scheduled for march 9, 1998.

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/6/98

NAME	REPRESENTING
Dick Gerth	KDWP
Jeff Anpin	Division of the Budget
Stephanie Haden	Kansas State Fair
David Fry	Kansas Wheat Comm.
Jemie Wedel	Kansas Water Office
Al LeDoux	KWO
MAX FOSTER	KDA
Ally Devine	KDA
Anthony A. Fardale	Dept. of Admin.
STEVE WILLIAMS	KDWP
TRACY STREETER	Cous. Comm.
SCOTT CARLSON	Cousu. Comm.
Lela Warner	" "
Jamie Clover Adams	Governor's Office

# HOUSE SUBCOMMITTEE REPORT

FY 1998-FY 1999

Department of Wildlife and Parks



Representative Carl Holmes  
Chairman



Representative Bill Feuerborn



Representative Jeff Peterson

Appropriations  
3-6-98  
Attachment 1

**SUBCOMMITTEE REPORT**

**Agency:** Department of Wildlife and Parks

**Bill No. --**

**Bill Sec. --**

**Analyst:** Mills

**Analysis Pg. No. 679**

**Budget Page No. 495**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 27,625,659	\$ 27,535,954	\$ 0
Aid to Local Units	425,000	425,000	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 28,050,659	\$ 27,960,954	\$ 0
Capital Improvements	<u>11,364,339</u>	<u>11,330,929</u>	<u>0</u>
TOTAL	<u>\$ 39,414,998</u>	<u>\$ 39,291,883</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 4,572,232	\$ 4,527,632	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 4,572,232	\$ 4,527,632	\$ 0
Capital Improvements	<u>859,667</u>	<u>859,667</u>	<u>0</u>
TOTAL	<u>\$ 5,431,899</u>	<u>\$ 5,387,299</u>	<u>\$ 0</u>
FTE Positions	<u>393.3</u>	<u>393.3</u>	<u>0.0</u>
Unclass. Temp. Positions	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>
TOTAL	<u>396.3</u>	<u>396.3</u>	<u>0.0</u>

**Agency Estimate/Governor's Recommendation**

The agency's revised FY 1998 estimate is \$28,050,659, or \$37,008 less than the amount approved by the 1997 Legislature. Of the total estimate, \$4,572,232 is from the State General Fund and \$23,478,427 is from other funds. The estimate for spending from the State General Fund is \$610 more than the amount approved (attributable to KQM savings); and the estimate for spending from special revenue funds is \$37,618 less than the approved amount.

Although the 1997 Legislature approved a total of 394.3 FTE positions for the Department in FY 1987, the Department has voluntarily eliminated 1.0 FTE position, making the revised total 393.3 FTE positions.

**The Governor recommends** an operating budget of \$27,960,954, which is a decrease of \$126,713. The decrease occurs in State General Fund spending (\$43,990) and in other funds (\$82,723).

(**Staff Note:** During the 1997 Session, the Governor recommended the expenditure of \$8,170,756 from the State General Fund as a supplemental appropriation in FY 1997 for payment to the federal government of construction costs for recreational development of El Dorado State Park. The federal government had agreed to accept this amount to satisfy the state's obligation for the El Dorado Park. The 1997 Legislature approved this payment through enactment of S.B. 43.)

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor.

**Senate Committee Recommendation**

The Senate Committee concurs.

**Senate Committee of the Whole Recommendation**

The full Senate has not taken action on this budget.

Agency: Department of Wildlife and Parks

Bill No. -

Bill Sec. -

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 27,625,659	\$ 27,535,954	\$ 0
Aid to Local Units	425,000	425,000	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 28,050,659	\$ 27,960,954	\$ 0
Capital Improvements	11,364,339	11,330,929	0
TOTAL	<u>\$ 39,414,998</u>	<u>\$ 39,291,883</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 4,572,232	\$ 4,527,632	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 4,572,232	\$ 4,527,632	\$ 0
Capital Improvements	859,667	859,667	0
TOTAL	<u>\$ 5,431,899</u>	<u>\$ 5,387,299</u>	<u>\$ 0</u>
FTE Positions	393.3	393.3	0.0
Unclass. Temp. Positions	3.0	3.0	0.0
TOTAL	<u>396.3</u>	<u>396.3</u>	<u>0.0</u>

### House Subcommittee Recommendation

The House Subcommittee concurs with the Governor.



**SUBCOMMITTEE REPORT**

**Agency:** Department of Wildlife and Parks

**Bill No.** 642

**Bill Sec.** 96

**Analyst:** Mills

**Analysis Pg. No.** 679

**Budget Page No.** 495

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99<sup>a</sup></u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 29,320,488	\$ 29,392,332	\$ (676,273)*
Aid to Local Units	475,000	475,000	0
Other Assistance	0	25,000	0
Subtotal - Operating	<u>\$ 29,795,488</u>	<u>\$ 29,892,332</u>	<u>\$ (676,273)</u>
Capital Improvements	16,210,000	15,543,512	0
<b>TOTAL</b>	<u><u>\$ 46,005,488</u></u>	<u><u>\$ 45,435,844</u></u>	<u><u>\$ (676,273)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 3,995,777	\$ 4,038,527	\$ (104,951)
Aid to Local Units	0	0	0
Other Assistance	0	25,000	0
Subtotal - Operating	<u>\$ 3,995,777</u>	<u>\$ 4,063,527</u>	<u>\$ (104,951)</u>
Capital Improvements	785,000	389,549	0
<b>TOTAL</b>	<u><u>\$ 4,780,777</u></u>	<u><u>\$ 4,453,076</u></u>	<u><u>\$ (104,951)</u></u>
FTE Positions	393.3	392.3	0.0
Unclass. Temp. Positions	3.0	3.0	0.0
<b>TOTAL</b>	<u><u>396.3</u></u>	<u><u>395.3</u></u>	<u><u>0.0</u></u>

a) Per GBA No. 1, includes an additional \$361,512 from the State General Fund for a matching grant for development of a wetlands project at Milford Reservoir. Per GBA No. 2, includes an additional \$25,000 from the Wildlife Fee Fund for dike maintenance at Cheyenne Bottoms.

\* Includes a reduction of \$643,873 (of which \$104,951 is from the State General Fund) for the Governor's employee salary adjustments.

**Agency Request/Governor's Recommendation**

The agency requests FY 1999 operating expenditures of \$29,795,488, an increase of \$1,744,829 or 6.2 percent above the revised FY 1998 estimate. Of the total FY 1999 request, \$4,780,77, or 16.0 percent, is financed from the State General Fund; and \$25,799,711, or 86.6 percent, is financed from agency special revenue funds. Of the requested increase, the State General Fund portion is a decrease

of \$576,455, with an increase of \$2,321,284 in spending from special revenue funds. Much of this increase is the result of enhanced spending from the Wildlife Fee Fund (\$2,601,561).

**The Governor recommends \$29,867,332 for operating expenditures in FY 1999, which is a 6.8 percent increase over the current year recommendation. The recommendation is composed of \$4,063,527 from the State General Fund and \$25,803,805 from special revenue funds. The Governor recommends a reduction of 1.0 FTE position. The Governor's recommendation eliminates the 1.0 position as a retirement reduction.**

<b>FY 1999 Enhancements</b>						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>State Park Operations:</b>						
Temporary Salaries	\$ 0	\$ 60,000	0.0	\$ 0	\$ 0	0.0
Equipment for Park System	0	127,508	0.0	69,649	199,830	0.0
<b>Public Access Projects</b>						
Walk-In Hunting Access	\$ 0	\$ 250,000	0.0	0	250,000	0.0
Walk-In Fishing Program	0	200,000	0.0	0	200,000	0.0
<b>Upland Game Bird Populations</b>						
	\$ 0	\$ 100,000	0.0	0	100,000	0.0
<b>Special Research Projects:</b>						
Furbearer Research	\$ 0	\$ 30,000	0.0	0	0	0.0
Neosho Madtom	0	50,000	0.0	0	0	0.0
Threatened and Endangered Plans	50,000	50,000	0.0	0	0	0.0
<b>Replacement Radios—Law Enforcement</b>						
	\$ 0	\$ 100,000	0.0	0	100,000	0.0
<b>Maintain Dikes—Cheyenne Bottoms</b>						
	0	25,000	0.0	0	0	0.0
<b>Capital Improvements:</b>						
Bridge Maintenance	\$ 0	\$ 200,000	0.0	0	200,000	0.0
Kansas River Access	0	150,000	0.0	0	132,000	0.0
<b>State Park Capital Improvement Initiative</b>						
	0	10,000,000	0.0	0	10,000,000	0.0
<b>TOTAL - FY 1999 Enhancement Request</b>	<b>\$ 50,000</b>	<b>\$ 11,342,508</b>	<b>0.0</b>	<b>\$ 69,649</b>	<b>\$ 11,181,830</b>	<b>0.0</b>

### FY 1999 Enhancements

- **State Park Operations.** The Department is requesting two FY 1999 enhancements to improve operations in the state park system: 1) additional salary funding for seasonal and temporary employees (\$60,000 from the Park Fee Fund) to provide for an additional 10 temporary employees; and 2) additional capital outlay funding (\$127,508 Park Fee Fund) to allow for the purchase of mobile radios, computer equipment, and various mowing, trash collection, and groundskeeping equipment. **The Governor** does not recommend funding for the temporary salaries. The Governor recommends a total of \$130,181 (Park Fee Fund) and also adds an additional \$69,649 (SGF) for capital outlay.
- **Public Access Projects.** The agency is requesting additional funding to provide public access for hunting and fishing through: 1) an expansion of the Walk-In Hunting Access Program (\$250,000 Wildlife Fee Fund) to allow the leasing of an additional 100,000 acres of hunting land; and 2) creation of a new Walk-In Fishing Program (\$200,000 WFF) to allow for the leasing

of an estimated 5,000 surface acres of private waters to provide public fishing access. **The Governor** concurs.

- **Upland Game Bird Populations.** The agency is requesting \$100,000 (Wildlife Fee Fund) to allow the Department to work with local agencies and landowners to improve pheasant habitat; this will be a 4-county pilot project in Northwest Kansas. **The Governor** concurs.
- **Special Research Projects.** The agency requests funding for three special research projects: 1) furbearer research/surveys (\$30,000 WFF); 2) Neosho Madtom habitat study (\$50,000 WFF); and 3) Threatened and Endangered Species recovery plans (\$50,000 State General Fund). **The Governor** does not recommend this item.
- **Replacement Radios for Law Enforcement.** The agency requests additional funding of \$100,000 from the Wildlife Fee Fund for replacement radio equipment for law enforcement personnel, including 208 new VHF/UHF mobile and hand-held radios (\$67,600) and 20 new 800 MHz radios (\$32,400). **The Governor** concurs.
- **Maintain Dikes—Cheyenne Bottoms.** The agency requests \$25,000 (Wildlife Fee Fund) to provide for additional maintenance (rip-rap) on the dike system at Cheyenne Bottoms. **The Governor** does not recommend this item. (**Staff Note:** The Governor does recommend this item in Governor's Budget Amendment No. 2.)
- **Capital Improvements—Bridge Maintenance and Kansas River Access.** The agency requests enhanced funding for two capital improvement projects: 1) \$200,000 from the State Highway Fund to initiate a maintenance project for the smaller bridges on KDWP properties; and 2) \$150,000 from the State Water Plan Fund for the development of boating (canoe) access points at several locations on the Kansas River.

**The Governor** recommends \$200,000 for bridge maintenance. The Governor recommends \$132,000 for Kansas River access; this amount was recommended by the Kansas Water Authority.

- **Comprehensive FY 1999 Capital Improvement Project for State Parks.** **The Governor** recommends a capital improvement initiative for state parks for FY 1999, providing \$10.0 million from the State Budget Stabilization Fund. According to the *Governor's Budget Report*, the recommendation will address the needs of Kansas' 30-year-plus state park infrastructure by restoring, preserving, and enhancing the state's park system. Kansas residents will benefit from the improved recreational aspects and preservation of the state park system. The Governor's recommendation reflects the recommendations of a Task Force on Outdoor Kansas. The Task Force was created by the Commission on Wildlife and Parks. The Task Force consisted of 14 members and included representation from the Kansas Legislature and the public. The Task Force met numerous times during 1996 and provided the Commission with a report of funding needs for outdoor recreation. The report identified an immediate need for more than \$10.0 million to renovate state park infrastructure and provide modern facilities that meet ADA standards.

## Senate Subcommittee Recommendation

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

1. Delete \$643,873 (of which \$104,951 is from the State General Fund) based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$13,431); classified step movement (\$219,865); longevity bonus payments (\$206,520); and the 1.5 percent classified base salary adjustment (\$204,057).
2. Delete \$32,400 (Wildlife Fee Fund) which the Governor had recommended for the purchase of 20 new 800 MHZ radios. The Subcommittee has discussed the entire issue of the 800 MHZ radio system, which has been under construction for some number of years now in Kansas. The Subcommittee believes that a thorough review of this radio system should be conducted, since it impacts several state agencies. The Subcommittee also received rather unsettling testimony which indicated that some brands of 800 MHZ radios cannot communicate with other brands of 800 MHZ radios. The Subcommittee recommends that all funding for the purchase of these radios be held until the Omnibus session, pending reports by the Department of Administration, Highway Patrol, and Kansas Department of Transportation, and a review of the entire 800 MHZ system.
3. Concur with GBA No. 2 which adds \$25,000 (Wildlife Fee Fund) for dike maintenance at Cheyenne Bottoms. The Governor's intention was to include this funding in his budget recommendation, but it was inadvertently omitted.
4. Recommend the creation of a "State Agricultural Production Fund" to handle revenues relating to farming and grazing leases from state-owned lands, as requested by the Department. The Department was briefed on the contents of the Legislative Post Audit report "Reviewing the Department of Wildlife and Parks' Management of Lands Leased for Farming and Grazing (No. 98-44). The Post Audit report found that the agricultural leases on *state-owned land* were treated as "off-budget" and did not go through the regular budget and appropriations process; by way of contrast, the Department's agricultural leases on *federally-owned land* are budgeted and approved through the normal appropriations process. The leases on state-owned land may require the farmer or rancher to "pay" the Department by leaving crops standing in the field, paying for goods or services purchased by the Department, or performing services for the Department at a set hourly rate. However, none of these "payments" are processed through the state accounting system or the budget process. Because of the number of actual or potential problems with the way these leases were handled, the Senate Subcommittee recommends that a new fund be created and that these leases be made subject to the normal appropriations procedure. The Senate Subcommittee also recommends the enactment of S.B. 504 which will statutorily create the new fund and establish guidelines for these leases.
5. Because of a number of complaints that the Subcommittee has received from landowners, the Subcommittee recommends that the Department increase its efforts to improve signage on the land areas participating in the Walk-In Hunting Area Program so that the boundaries of the leased areas are clearly identified to hunters.

Hopefully, this will stop hunters from hunting adjoining land as if it were a part of the walk-in program. The Secretary has agreed to increase efforts to place necessary signs to indicate the boundaries of the lands.

6. The Subcommittee is aware that the State Conservation Commission is directed by S.B. 523 to develop a Kansas Water Quality Buffer Initiative to improve water quality by restoring riparian areas using best management practices. The goal of improving water quality is also shared by the Department of Wildlife and Parks and the Subcommittee urges the Secretary to coordinate with the State Conservation Commission in developing this buffer initiative found in S.B. 523. This could be a benefit to both hunters and landowners.

### **Senate Committee Recommendation**

The Senate Committee concurs with the Senate Subcommittee.

### **Senate Committee of the Whole Recommendation**

The full Senate has not taken action on this budget.

Agency: Department of Wildlife and Parks

Bill No. 2893

Bill Sec. 96

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99 <sup>a</sup>	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 29,320,488	\$ 29,392,332	\$ (32,400)
Aid to Local Units	475,000	475,000	0
Other Assistance	<u>0</u>	<u>25,000</u>	<u>0</u>
Subtotal - Operating	\$ 29,795,488	\$ 29,892,332	\$ (32,400)
Capital Improvements	<u>16,210,000</u>	<u>15,543,512</u>	<u>0</u>
TOTAL	<u>\$ 46,005,488</u>	<u>\$ 45,435,844</u>	<u>\$ (32,400)</u>
State General Fund:			
State Operations	\$ 3,995,777	\$ 4,038,527	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>25,000</u>	<u>0</u>
Subtotal - Operating	\$ 3,995,777	\$ 4,063,527	\$ 0
Capital Improvements	<u>785,000</u>	<u>389,549</u>	<u>0</u>
TOTAL	<u>\$ 4,780,777</u>	<u>\$ 4,453,076</u>	<u>\$ 0</u>
FTE Positions	393.3	392.3	0.0
Unclass. Temp. Positions	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>
TOTAL	<u>396.3</u>	<u>395.3</u>	<u>0.0</u>

- a) Per GBA No. 1, includes an additional \$361,512 from the State General Fund for a matching grant for development of a wetlands project at Milford Reservoir. Per GBA No. 2, includes an additional \$25,000 from the Wildlife Fee Fund for dike maintenance at Cheyenne Bottoms.

### House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation, with the following adjustments and additional recommendations:

1. Delete \$32,400 (Wildlife Fee Fund) which the Governor had recommended in FY 1999 for the purchase of 20 new 800 MHZ radios. The Subcommittee was advised that the Senate Ways and Means Committee is conducting a review of the entire issue of the 800 MHZ radio system, which has been under construction for

some number of years now in Kansas. The Subcommittee recommends that funding for the purchase of these radios be held until Omnibus, pending a report by the Senate Committee on the 800 MHZ system.

2. Concur with Governor's Budget Amendment No. 1 which adds \$361,512 from the State General Fund in FY 1999 for a matching grant for development of a wetlands project at Milford Reservoir.
3. Concur with Governor's Budget Amendment No. 2 which adds \$25,000 (Wildlife Fee Fund) in FY 1999 for dike maintenance at Cheyenne Bottoms. The Governor's intention was to include this funding in his budget recommendation, but it was inadvertently omitted.
4. Shift the \$132,000 recommended by the Governor in FY 1999 for Kansas river access from the State Water Plan Fund to the Economic Development Initiatives Fund (EDIF).
5. Recommend the creation in the FY 1999 appropriation bill of a "State Agricultural Production Fund" to handle revenues relating to farming and grazing leases on state-owned lands, as requested by the Department and as recommended by a recent Post Audit report (No. 98-44) which reviewed this issue. The Subcommittee also recommends the enactment of S.B. 504 which will statutorily create the new fund and establish guidelines for these leases.
6. The Subcommittee notes that the Governor has included a "State Park Capital Improvement Initiative" project to address the infrastructure needs of the state park system; the Governor recommends a total of \$10.0 million from the State Budget Stabilization Fund in FY 1999 for this three-year project. The Subcommittee has reviewed the initial plans for this project and expresses its support for this initiative. The Subcommittee has advised local legislators of the capital improvement projects planned for the state parks in their districts and has asked them to review the construction projects and to visit the parks to review these plans.
7. The Subcommittee wishes to commend the current Secretary and his staff for resolving the federal aid diversion problem which has plagued the Department since 1993. The final repayment was made in FY 1998 and no further expenditures in this area are requested. The Department has instituted a number of new accounting techniques, enhanced payroll management procedures, and improved auditing and control practices in order to ensure that no new problems develop. Using language first placed in the appropriation bill by the 1996 Legislature, the Department is able to make adjustments for expenditures from the Department's various funds to correctly account for all expenditures.
8. Recommend the introduction of a bill to eliminate the exemptions from state park entrance fees for senior citizens and handicapped individuals currently contained in K.S.A. 32-901. The Subcommittee believes that the issue of whether to continue these exemptions should be considered by the full Legislature and the introduction of this bill would place the issue on the table for debate.

9. The Subcommittee reviewed the shrinkage rates for the Department for period of FY 1995–FY 1999 and was advised that the following rates were in place:

FY 1995 Actual	4.3%
FY 1996 Actual	4.2%
FY 1997 Actual	2.9%
FY 1998 Gov. Rec.	2.3%
FY 1999 Gov. Rec.	2.0%

10. In reviewing the agency's performance measures, the Subcommittee noted that the Governor's Budget Report includes two measures related to the number of hunting and boating accidents each year. The agency indicated that it no longer uses these measures, as the number of accidents each year is largely beyond the control of the Department. However, it appears that Budget Division is still including these two measures. The Subcommittee believes that these two measures probably are not very useful and should be eliminated.
11. The Subcommittee notes that federal funding for local recreation agencies through the federal Land and Water Conservation Fund is expected to be greatly reduced or eliminated. The agency estimates that federal funding of \$100,000 will be available in FY 1998; however, no funding is expected under this program in FY 1999. The Subcommittee is aware that a bill (H.B. 2876) is under consideration to provide alternative funding for local recreation agencies. Should this bill be enacted, the Legislature should review the need for any additional funding during Omnibus.
12. Shift \$6,500 (Wildlife Fee Fund) in FY 1999 for thirteen cell phones from capital outlay to contractual services; this funding includes the annual operating costs for the phones and was erroneously coded as capital outlay.
13. The Subcommittee recommends that the Department consider the issue of establishing a new state park entrance fee for nonresidents, which would be at a higher rate than the park fee for resident Kansans. The Subcommittee has received complaints that some state parks located near the state's borders are used largely by nonresident campers and boaters.
14. Revise the proviso language from last year's appropriation bill relative to wetlands acquisition to limit the acquisition of additional wetlands only to lands which are adjacent to state-owned properties in Barton County and McPherson County. The Governor has recommended a total of \$450,000 (\$350,000 from the Wildlife Conservation Fund and \$100,000 from the Duck Stamp Fund) for wetlands acquisition in FY 1999. The effect of the Subcommittee recommendation would be to limit new wetlands acquisition only to properties adjacent to the McPherson Wetlands or Cheyenne Bottoms. The Department has sought legislative guidance on the issue of wetlands acquisition.
15. Place proviso language in the FY 1999 bill to restrict any future purchase of land for the playa lakes project to lands which are adjacent to playa lakes properties



already owned by the state; in addition no water pumping would be allowed on the newly-acquired properties. The Department had requested \$75,000 (\$50,000 from the Wildlife Fee Fund and \$25,000 in private donations from Phillips Petroleum) for the playa lakes project; the Governor recommended no additional funding for FY 1999. However, there is a carryforward balance in this account of about \$137,000; the proviso would restrict the use of this account balance.

16. The Subcommittee notes that the Governor has included a total of \$250,000 (Wildlife Fee Fund) for land acquisition in FY 1999. The Subcommittee leaves this funding intact and makes no further recommendations regarding land acquisition.
17. The Subcommittee wishes to commend the Department for its long-range plan for the rehabilitation of dams on the state fishing lakes. This plan will likely ensure that there are no disasters on the Department's state fishing lakes. The Subcommittee recommends continuation of this dam repair project, which is funded at \$1.4 million (Wildlife Conservation Fund) in the Governor's FY 1999 budget.

**FY 1998 and FY 1999**  
**House Subcommittee Report on**

**Department of Agriculture**  
**Kansas State Fair**  
**State Conservation Commission**  
**Kansas Water Office**  
**Kansas Wheat Commission**  
**Grain Inspection Department**



Representative Carl Holmes  
Chairman



Representative Jeff Peterson



Representative Bill Feuerborn

*Appropriations*  
*3-6-98*  
*Attachment 2*

**SUBCOMMITTEE REPORT**

**Agency:** Department of Agriculture

**Bill No.** 643

**Bill Sec.** 35

**Analyst:** Holwegner

**Analysis Pg. No.** 589

**Budget Page No.** 59

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 20,904,336	\$ 20,825,136	\$ 50,000
Aid to Local Units	0	0	0
Other Assistance	3,300	3,300	0
Subtotal - Operating	\$ 20,907,636	\$ 20,828,436	\$ 50,000
Capital Improvements	0	0	0
<b>TOTAL</b>	<b><u>\$ 20,907,636</u></b>	<b><u>\$ 20,828,436</u></b>	<b><u>\$ 50,000</u></b>
<b>State General Fund:</b>			
State Operations	\$ 9,931,065	\$ 9,852,889	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 9,931,065	\$ 9,852,889	\$ 0
Capital Improvements	0	0	0
<b>TOTAL</b>	<b><u>\$ 9,931,065</u></b>	<b><u>\$ 9,852,889</u></b>	<b><u>\$ 0</u></b>
FTE Positions	316.0	316.0	0.0
Unclassified Temp. Positions	19.0	19.0	0.0
<b>TOTAL</b>	<b><u>335.0</u></b>	<b><u>335.0</u></b>	<b><u>0.0</u></b>

**Agency Estimate/Governor's Recommendation**

The agency estimates operating expenditures of \$20,907,636 which is \$129,743 or 0.6 percent more than the amount approved by the 1997 Legislature. The estimate reflects a supplemental request to increase the expenditure limitation on the Grain Warehouse fee fund by \$65,793 (from \$410,105 to \$475,898) and a carryover of \$63,950 in fee funds and federal funds from FY 1997 to FY 1998. The agency's current year estimate includes \$9,931,065 from the State General Fund (including \$29,836 in KQM expenditures), \$2,689,622 from federal funds, and \$8,286,949 from all other funds.

**The Governor recommends current year operating expenditures of \$20,828,436** a decrease of \$79,200 below the agency's request. The reduction is attributable to a recommended decrease in salaries and wages (\$79,200) reflecting retirement reductions.

**Supplemental Request.** The agency requests the following supplemental adjustment in the current year:

- **Grain Warehouse Fee Fund.** The Department requests an increase in the expenditure limitation on the Grain Warehouse Fee Fund of \$65,793. The requested increase would result in an expenditure limitation on the fund of \$475,898. The Grain Warehouse Program was transferred to the Department of Agriculture pursuant to the provisions of 1997 S.B. 317. The agency reports that while there is sufficient revenue in the Grain Warehouse Fee Fund to cover the cost of the program, the approved expenditure limitation for FY 1998 is lower than the estimated costs of the program. **The Governor recommends this supplemental request.**

### **Senate Subcommittee Recommendations**

The Subcommittee concurs with the Governor's FY 1998 recommendation.

### **Senate Committee Recommendation**

The Senate Committee concurs with the Subcommittee recommendation, with the following addition.

1. **Add \$50,000 from the Fertilizer Fee Fund.** Three years ago, laws and regulations were adopted concerning the containment of fertilizers. The department wishes to conduct a study by a structural engineer to evaluate the safety of the containment facilities to assure that they are environmentally safe.

The Subcommittee originally planned to include this item in this report but it was inadvertently placed in the FY 1999 report.

### **Senate Recommendation**

Agency: Department of Agriculture

Bill No. 2895

Bill Sec. 35

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 20,904,336	\$ 20,825,136	\$ 50,000
Aid to Local Units	0	0	0
Other Assistance	3,300	3,300	0
Subtotal - Operating	\$ 20,907,636	\$ 20,828,436	\$ 50,000
Capital Improvements	0	0	0
TOTAL	<u>\$ 20,907,636</u>	<u>\$ 20,828,436</u>	<u>\$ 50,000</u>
<b>State General Fund:</b>			
State Operations	\$ 9,931,065	\$ 9,852,889	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 9,931,065	\$ 9,852,889	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 9,931,065</u>	<u>\$ 9,852,889</u>	<u>\$ 0</u>
FTE Positions	316.0	316.0	0.0
Unclassified Temp. Positions	19.0	19.0	0.0
TOTAL	<u>335.0</u>	<u>335.0</u>	<u>0.0</u>

### House Subcommittee Recommendation

1. **Extend the limitation of the Fertilizer Fee Fund by \$50,000.** Three years ago laws and regulations were adopted concerning the containment of fertilizers. The department wishes to conduct a study by a structural engineer to evaluate the safety of the containment facilities to assure that they are environmentally safe.

### House Committee Recommendation

**SUBCOMMITTEE REPORT**

**Agency:** Department of Agriculture

**Bill No.** 642

**Bill Sec.** 90

**Analyst:** Holwegner

**Analysis Pg. No.** 589

**Budget Page No.** 59

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 20,476,148	\$ 20,529,898	\$ (571,423)*
Aid to Local Units	0	0	0
Other Assistance	3,300	3,300	0
Subtotal - Operating	<u>\$ 20,479,448</u>	<u>\$ 20,533,198</u>	<u>\$ (571,423)</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 20,479,448</u></u>	<u><u>\$ 20,533,198</u></u>	<u><u>\$ (571,423)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 9,940,944	\$ 10,039,141	\$ (358,282)*
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 9,940,944</u>	<u>\$ 10,039,141</u>	<u>\$ (358,282)</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 9,940,944</u></u>	<u><u>\$ 10,039,141</u></u>	<u><u>\$ (358,282)</u></u>
FTE Positions	308.0	308.0	0.0
Unclass. Temp. Positions	19.0	19.0	0.0
<b>TOTAL</b>	<u><u>327.0</u></u>	<u><u>327.0</u></u>	<u><u>0.0</u></u>

\* Includes a reduction of \$571,423 (with \$358,282 from the State General Fund) for the Governor's employee salary adjustments.

**Agency Request/Governor's Recommendation**

The agency requests \$20,479,448 in FY 1999, including \$9,940,944 from the State General Fund, \$1,100,552 from the State Water Plan Fund, \$2,385,736 from federal funds, and \$7,052,216 from all other special revenue funds. The request is a reduction of \$428,188 below the current year estimate. The change includes an increase of \$9,879 from the State General Fund and an offsetting reduction of \$438,067 from all other funds. The requested increase from the State General Fund includes three enhancements – \$41,580 for the purchase of equipment related to the Arkansas River Compact, \$24,000 for equipment at the Division of Weights and Measures, and \$50,000 for continued research to identify farming Best Management Practices. (Note: More detail regarding these enhancement requests is found later in this document). Those increases are offset by the absence of a one-year expenditure of \$300,000 SGF for a computer systems upgrade.

**The Governor recommends** FY 1999 expenditures of \$20,533,198, an all funds increase of \$53,750 over the agency request, but a \$293,238 reduction from the current year recommendation. The recommendation includes \$10,039,141 from the State General Fund, \$2,403,171 from federal funds, and \$8,090,886 from agency fee funds. The increase above the agency's request reflects the increase for the Governor's pay plan (\$184,599). That increase is offset by recommended adjustments (reductions) to the agency's enhancements (\$111,632) and reductions from the agency's request for capital outlay (\$11,500) and contractual services (\$7,717).

## **FY 1999 Enhancements**

- **Division of Water Resources.** The agency requests \$41,580 (SGF) for equipment due to requirements of the **Arkansas River Compact**. The Compact now requires that additional flow measurements be made at three irrigation ditches to ensure effective and efficient distribution of water to irrigators. The Department states that this enhancement will provide for the purchase and installation of the necessary flow recording instruments and data transmission devices to effectively accomplish the task.

The Governor recommends \$12,500 (SGF) to partially finance the agency's request.

- **Division of Water Resources.** The Department requests \$100,000 (State Water Plan Fund) to provide assistance with **flood plain re-mapping**. The agency states it is requested to fund a cost-share program recommended in the State Water Plan to assist local units of government with flood plain re-mapping and to provide for other hydraulic studies appropriate to address needs identified in priority areas subject to serious flooding problems.

Although the Governor's State Water Plan Fund recommendations for flood plain management for the Department (\$107,000) are not itemized, the agency reports that it has earmarked \$50,000 of that recommendation for this enhancement request.

- **Division of Weights and Measures.** The agency requests \$24,000 (SGF) to purchase a **weight cart**. The Department reports it needs to purchase a weight cart for the large capacity scales program. The cart will be used to test vehicle scales throughout the western half of the state. The Department also states that without the cart, testing cannot be accomplished in a manner consistent with National Institute of Standards and Technology methodology.

The Governor recommends \$12,500 (SGF) to partially fund the agency's request.

- **Administrative Services.** The agency requests \$50,000 (SGF) to continue research into identifying farming **Best Management Practices (BMPs)**. The agency states that the 1997 Legislature provided \$50,000 to the Department for the development of BMPs in numerous areas. The primary focus is on fecal coliform bacteria, nutrients (phosphorus and nitrogen), continuance of atrazine BMPs and BMP economics. The agency notes that this request is made in light of continued public scrutiny and federal requirements regarding non-point source pollution.

The Governor concurs with the agency's request.

## Senate Subcommittee Recommendations

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

1. **Delete \$571,423**, including \$358,282 from the State General Fund, based on the recommendation to delete funding for classified step movement (\$204,656), the 1.5 percent classified base salary increase (\$167,009), an unclassified merit pool of 4.0 percent (\$49,887), and the longevity bonus (\$149,871) from individual agency budgets.
2. **Add \$50,000 from the Fertilizer Fee Fund.** Three years ago laws and regulations were adopted concerning the containment of fertilizers. The Department wishes to conduct a study by a structural engineer to evaluate the safety of the containment facilities to assure that they are environmentally safe. This would increase the expenditure limitation to \$399,422.
3. The Pawnee Water Basin Study, which is designed to study water quality and depletion, is under evaluation to determine if the study needs to be continued. This basin study has spent \$67,769. If it is determined by the Department of Agriculture that the study has either fulfilled its objectives or that the Pawnee Water Basin now has higher water levels and the study is no longer necessary, then the Subcommittee urges that the study be discontinued as required by law.
4. The Subcommittee commends the Department of Agriculture for providing the maximum level of services with the minimum amount of growth in resources. With the Subcommittee's recommendation, the Department is spending only \$635,428 more in State General Funds than it did ten years ago. The Subcommittee is concerned, however, that the high level of services currently provided may be eroded some day by the retirement cap on FTEs created by 1993 H.B. 2211. It may be necessary at a future legislative session to investigate the effects of H.B. 2211.

## Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendation, with the following additional recommendations.

1. Delete Recommendation No. 2 from the Subcommittee's FY 1999 report and insert it in the Subcommittee's report for FY 1999.
2. Reconsider the status of the Pawnee Water Basin study during the Omnibus session.

## Senate Recommendation



Agency: Department of Agriculture

Bill No. 642

Bill Sec. 90

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 20,476,148	\$ 20,529,898	\$ 0
Aid to Local Units	0	0	0
Other Assistance	3,300	3,300	0
Subtotal - Operating	\$ 20,479,448	\$ 20,533,198	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 20,479,448</u>	<u>\$ 20,533,198</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 9,940,944	\$ 10,039,141	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 9,940,944	\$ 10,039,141	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 9,940,944</u>	<u>\$ 10,039,141</u>	<u>\$ 0</u>
FTE Positions	308.0	308.0	0.0
Unclass. Temp. Positions	19.0	19.0	(0.5)
TOTAL	<u>327.0</u>	<u>327.0</u>	<u>(0.5)</u>

### House Subcommittee Recommendations

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

1. **Delete 0.5 Unclassified Part-Time Temporary Engineering Technician Position.** However, the Subcommittee recommends that the position's funding (\$10,519), which comes from the State Water Plan Fund, remain within the Department of Agriculture and be used to pay for equipment needs in its Division of Water Resources.
2. The Subcommittee recommends that the Department establish an expenditure fund regarding the Arkansas Compact for reimbursement for funds dedicated to go back to the Arkansas River area after the current lawsuit is settled. The

Subcommittee expects that after the suit is settled, the Agriculture Department's future requests for State General Funds for the Arkansas River area will decrease.

3. The Subcommittee recommends that the legislative post audit report on the Meat and Poultry Division be considered for review during the Omnibus session.
4. The Subcommittee wishes to note a correction on page 599 of the *Budget Analysis, Fiscal Year 1999*, and on page 62, volume 2, of the *Governor's Budget Report, Fiscal Year 1999*, regarding performance measures. For FY 1999, the Governor's estimate for new water use application permits to be reviewed by technical staff and for changed water use application permits is 650 and 800, respectively.
5. The Subcommittee notes the shrinkage rate for the Department of Agriculture which the Governor recommends in FY 1999 to reflect salary turnover savings of \$572,919, an amount equal to 4.0 percent of the total salary and benefit budget of \$14,322,912. The net FY 1999 Governor's recommended funding amount is \$13,749,993 for 308.0 FTE positions, temporary staff and fringe benefits. In reviewing the three-year salary and benefit expenditures history of this agency, the Subcommittee discovered the following information.

<u>Fiscal Year</u>	<u>Final Approved</u>	<u>Actual Expenditures</u>	<u>Net Difference</u>
1995	\$ 12,896,110	\$ 12,930,592	\$ (34,482)
1996	\$ 12,552,769	\$ 12,492,779	\$ 59,990
1997	\$ 12,530,675	\$ 12,118,770	\$ 411,905

The final approved amount for salaries and benefits reflects the net funding available after reductions for shrinkage were taken into account. The net difference represents the salary savings achieved after a shrinkage rate was applied.

### House Committee Recommendation

**SUBCOMMITTEE REPORT**

**Agency:** State Conservation Commission

**Bill No.** 643

**Bill Sec.** 38

**Analyst:** Holwegner

**Analysis Pg. No.** 619

**Budget Page No.** 121

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,562,689	\$ 1,562,318	\$ 0
Aid to Local Units	2,623,682	2,623,682	0
Other Assistance	7,043,158	7,043,158	0
Subtotal - Operating	\$ 11,229,529	\$ 11,229,158	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 11,229,529</u>	<u>\$ 11,229,158</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 576,804	\$ 576,804	\$ 0
Aid to Local Units	1,816,500	1,816,500	0
Other Assistance	4,183,500	4,183,500	0
Subtotal - Operating	\$ 6,576,804	\$ 6,576,804	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 6,576,804</u>	<u>\$ 6,576,804</u>	<u>\$ 0</u>
FTE Positions	14.0	14.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>14.0</u>	<u>14.0</u>	<u>0.0</u>

**Agency Estimate/Governor's Recommendation**

The agency's revised estimate for FY 1998 totals \$11,229,529, including \$6,576,804 from the State General Fund, \$4,547,789 from the State Water Plan Fund, and \$104,936 from all other funds. The revised estimate is an increase of \$795,507 (7.6 percent) over the approved budget, all from special revenue funds. The increase reflects \$791,239 in State Water Plan funding reappropriated to FY 1998 and \$4,268 from Urban Resource Assessment and Management federal grants. Estimated State Water Plan expenditure increases are found in the Non-point Source Pollution program (\$307,412), the Riparian and Wetlands program (\$100,855), the Multipurpose Small Lakes program (\$215,314), and Watershed Dam Construction State Aid (\$167,658). The current year State General Fund approved amount includes \$2,001 from Kansas Quality Management reappropriation. The agency estimate is a decrease of \$227,411 (2.0 percent) from FY 1997 actual expenditures.

The Governor recommends FY 1998 expenditures of \$11,229,158 which is \$329 below the agency's request.

*Appropriations  
3-6-9  
Attachment 3*

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 1998 recommendation.

**Senate Committee Recommendation**

The Senate Committee concurs with the Subcommittee's recommendation.

**Senate Recommendation**

**Agency:** State Conservation Commission

**Bill No.** 2895

**Bill Sec.** 38

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,562,689	\$ 1,562,318	\$ 0
Aid to Local Units	2,623,682	2,623,682	0
Other Assistance	<u>7,043,158</u>	<u>7,043,158</u>	<u>0</u>
Subtotal - Operating	\$ 11,229,529	\$ 11,229,158	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 11,229,529</u>	<u>\$ 11,229,158</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 576,804	\$ 576,804	\$ 0
Aid to Local Units	1,816,500	1,816,500	0
Other Assistance	<u>4,183,500</u>	<u>4,183,500</u>	<u>0</u>
Subtotal - Operating	\$ 6,576,804	\$ 6,576,804	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 6,576,804</u>	<u>\$ 6,576,804</u>	<u>\$ 0</u>
FTE Positions	14.0	14.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>14.0</u>	<u>14.0</u>	<u>0.0</u>

### **House Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 1998 recommendation.

### **House Committee Recommendation**

### **House Recommendations**

**SUBCOMMITTEE REPORT**

**Agency:** State Conservation Commission

**Bill No.** 642

**Bill Sec.** 94

**Analyst:** Holwegner

**Analysis Pg. No.** 619

**Budget Page No.** 121

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,520,022	\$ 1,510,281	\$ (20,623) *
Aid to Local Units	2,885,250	2,083,250	(30,000)
Other Assistance	<u>7,071,000</u>	<u>7,531,500</u>	<u>(720,000)</u>
Subtotal - Operating	\$ 11,476,272	\$ 11,125,031	\$ (770,623)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u><u>\$ 11,476,272</u></u></b>	<b><u><u>\$ 11,125,031</u></u></b>	<b><u><u>\$ (770,623)</u></u></b>
<b>State General Fund:</b>			
State Operations	\$ 587,601	\$ 587,262	\$ (17,736) *
Aid to Local Units	1,823,250	1,823,250	0
Other Assistance	<u>4,176,750</u>	<u>4,176,750</u>	<u>0</u>
Subtotal - Operating	\$ 6,587,601	\$ 6,587,262	\$ (17,736)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u><u>\$ 6,587,601</u></u></b>	<b><u><u>\$ 6,587,262</u></u></b>	<b><u><u>\$ (17,736)</u></u></b>
FTE Positions	14.0	14.0	(0.5)
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<b><u><u>14.0</u></u></b>	<b><u><u>14.0</u></u></b>	<b><u><u>(0.5)</u></u></b>

\* Includes a reduction of \$20,623 (with \$17,736 from the State General Fund) for the Governor's employee salary adjustment.

**Agency Request/Governor's Recommendation**

**The State Conservation Commission requests a total of \$11,476,272 for FY 1999**, which is an increase of \$246,743 (2.2 percent) above the current year estimate. The request includes \$6,587,601 from the State General Fund, \$4,785,250 from the State Water Plan Fund, and \$103,421 from the Land Reclamation Fee Fund. The request reflects a State Water Plan funding increase of \$237,461 (5.2 percent) above the current year estimate, which includes an increase of \$261,568 in aid to local units, an increase of \$27,842 in other assistance and an offsetting decrease of \$51,949 in other operating expenditures. The requested increase from the State General Fund (all in the Administration Program) includes \$13,269 (2.6 percent) for salaries and wages and \$7,228 (11.5 percent) for all other contractual services. Those SGF increases are offset by an SGF decrease of \$9,950 for capital outlay.

The principal increase is reflected in the agency's enhancement requests of \$320,000 from the State Water Plan Fund for the Water Rights Purchase program and \$214,164 for the Non-point Source Pollution program. The enhancement requests are detailed below.

**Absent requested FY 1999 enhancements**, the agency's request would represent a decrease of \$287,421 (2.6 percent) from the FY 1998 revised estimate.

**The Governor recommends** FY 1999 expenditures of \$11,125,031 a reduction of \$351,241 (3.1 percent) from the agency request and a reduction of \$104,127 (0.9 percent) from the current year recommendation. The recommendation includes \$6,587,262 from the State General Fund, \$3,633,250 from the State Water Plan Fund, \$800,000 from the Economic Development Initiatives Fund (EDIF), and \$104,519 from the Land Reclamation Fee Fund. The majority of the reduction from the agency request reflects \$320,000 for the requested enhancement in the Water Rights Purchase program, which was not recommended, and a \$350,000 reduction in the Water Resources Cost Share program and \$350,000 reduction in the Water Resources Cost Share program. Those reductions are offset by a recommended initiative regarding surface water quality and financed with \$800,000 from the EDIF. This initiative will be discussed later in this document.

## Enhancements

- **Water Rights Purchase Program.** The agency's FY 1999 request includes an enhancement of \$320,000, from the State Water Plan Fund, in the Water Rights Purchase program. The Water Rights Purchase program was enacted by the 1988 Legislature (K.S.A. 2-1915 and 2-1919) to provide up to 80 percent cost-share assistance to willing sellers. The water rights, when purchased are returned to the custodial care of the state and managed by the Chief Engineer, Division of Water Resources. The Commission has received an application from the Groundwater Management District No. 5 to purchase five water rights in the Rattlesnake Creek Sub-basin. The Chief Engineer has closed this Sub-basin to further water right appropriation due to significant declines in the aquifer within the basin as well as declines to stream flow in Rattlesnake Creek. The Creek serves as the main tributary draining into the Quivera National Wildlife Refuge.

The five water rights to be purchased will represent approximately 650 acres of irrigated land. The state's share of each right at 80 percent would be \$64,000 with a total state cost for five water rights of \$320,000.

**The Governor** does not recommend this enhancement.

- **Non-Point Source Pollution.** The agency requests an enhancement of \$94,941 for technical assistance and \$119,223 for financial assistance. The agency requests the enhancement to fund an increase in NPS project work plans from 75 counties (conservation districts) to 86 counties with approved strategic-based management plans.

**The Governor** concurs with this request.

**Governor's Initiative. Surface Water Quality.** The Governor recommends \$800,000 from the Economic Development Initiatives Fund for FY 1999 to finance a conservation buffer initiative.

This proposal is designed to improve the long term water quality of Kansas surface waters by providing incentives to landowners to restore riparian areas to permanent vegetation. Stream side buffers slow water runoff and trap sediment, bacteria, pathogens, fertilizers, pesticides, and heavy metals minimizing the chances of these potential pollutants reaching surface water.

The Governor recommends two types of incentives. First, a targeted cash incentive that "piggy-backs" with the USDA buffer initiative around Mission Lake and Grasshopper Creek and in the Black Vermillion—the two target watersheds in the Governor's Water Quality Initiative. They will focus on atrazine runoff and fecal coliform runoff, respectively. The second incentive is property tax relief for those willing to restore riparian areas to permanent vegetation. These buffer strips could be reclassified within the agriculture land use scheme and the property tax would be reduced.

### Senate Subcommittee Recommendation

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

1. **Delete \$20,623**, including \$17,736 from the State General Fund, based on the recommendation to delete funding for classified step movement (\$3,508), the 1.5 percent classified base salary increase (\$2,360), an unclassified merit pool of 4.0 percent (\$11,527), and the longevity bonus (\$3,228) from individual agency budgets.
2. **Delete \$30,000 from the State Water Plan Fund** for the Non-Point Source Pollution Program. With the deletion, the program has still received a significant increase in funding (\$184,164). While the NPSP program provides financial and technical assistance to landowners to develop pollution control projects, the Subcommittee recommends that part of the increase be used to help finance the Governor's Conservation Buffer Initiative.
3. **Delete \$800,000 from the Economic Development Initiatives Fund** for the Governor's Conservation Buffer Initiative. The Subcommittee believes the initiative to be a creative incentive for landowners to restore riparian areas to permanent vegetation. However, the State Water Plan Fund would be a more appropriate funding source. The Subcommittee recommends that once the authorizing legislation for the buffer initiative, found in S.B. 523, has passed the Senate, **add \$80,000 from the State Water Plan Fund** for the Governor's Conservation Buffer Initiative. The Subcommittee recommends that the cost be spread out over the ten year life of the program at the cost of \$80,000 per year as contract payments need to be distributed.
4. **Delete 0.5 FTE**. Shortly after the Conservation Commission submitted its budget information, the agency converted 1.0 FTE position into 0.5 FTE position leaving its total FTE count at 13.5. The Governor's recommendation for salaries and wages already reflects the decrease and requires no adjustment.



**Senate Committee Recommendation**

The Senate Committee concurs with the Subcommittee's recommendation.

**Senate Recommendation**

**Agency:** State Conservation

**Bill No.** 2893

**Bill Sec.** 94

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,520,022	\$ 1,510,281	\$ 0
Aid to Local Units	2,885,250	2,083,250	20,992
Other Assistance	<u>7,071,000</u>	<u>7,531,500</u>	<u>(350,000)</u>
Subtotal - Operating	\$ 11,476,272	\$ 11,125,031	\$ (329,008)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u><u>\$ 11,476,272</u></u></b>	<b><u><u>\$ 11,125,031</u></u></b>	<b><u><u>\$ (329,008)</u></u></b>
<b>State General Fund:</b>			
State Operations	\$ 587,601	\$ 587,262	\$ 0
Aid to Local Units	1,823,250	1,823,250	20,992
Other Assistance	<u>4,176,750</u>	<u>4,176,750</u>	<u>100,000</u>
Subtotal - Operating	\$ 6,587,601	\$ 6,587,262	\$ 120,992
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u><u>\$ 6,587,601</u></u></b>	<b><u><u>\$ 6,587,262</u></u></b>	<b><u><u>\$ 120,992</u></u></b>
FTE Positions	14.0	14.0	(0.5)
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<b><u><u>14.0</u></u></b>	<b><u><u>14.0</u></u></b>	<b><u><u>(0.5)</u></u></b>

## House Subcommittee Recommendation

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

1. **Delete \$800,000 from the Economic Development Initiatives Fund** for the Governor's conservation buffer initiative. The Subcommittee believes the initiative to be a creative incentive for landowners to restore riparian areas to permanent vegetation. However, the State General Fund would be a more appropriate funding source. The Subcommittee **adds \$100,000 from the State General Fund** for the Governor's conservation buffer initiative. Half of this amount will be used for start up costs associated with this program, and the other half will be used for contract payments. The Subcommittee recommends that the cost be spread out over the ten to fifteen year duration of the program at the cost of \$50,000 per year as contract payments need to be distributed.
2. **Add \$350,000 from the State Water Plan** for the Water Resource Cost-Share program.
3. **Add \$20,992 from the State General Fund** for the Wet Walnut Creek Watershed Joint District No. 58. It came to the Subcommittee's attention that the district's request for funding from the State's Water Plan Fund was not recommended by the Kansas Water Authority. The Water Authority reasoned that since the flood control program predates the Water Plan, it should not be used to finance the District's request. The Subcommittee agrees with the Water Authority that the Water Plan Fund should not be used. However, the Subcommittee believes that the State of Kansas does have an obligation to the Watershed Joint District for flood control benefits that stretch outside of the District's jurisdiction.
4. **Delete 0.5 FTE.** Shortly after the Conservation Commission submitted its budget information, the agency converted 1.0 FTE position into 0.5 FTE position leaving its total FTE count at 13.5. The Governor's recommendation for salaries and wages already reflects the decrease and requires no adjustment.
5. The Subcommittee notes that the Conservation Commission is currently withholding \$215,313 for the construction of a spillway for Xenia Reservoir. There have been discrepancies between the specifications and the later plans. Currently the pipe will not be able to handle the expected flow of water. The funds will be withheld until the problem can be resolved.
6. The Subcommittee notes the shrinkage rate for the State Conservation Commission which the Governor recommends in FY 1999 to reflect salary turnover savings of \$8,899, an amount equal to 1.4 percent of the total salary and benefit budget of \$609,951. The net FY 1999 Governor's recommended funding amount is \$601,052 for 13.5 FTE positions, temporary staff and fringe benefits. In reviewing the three-year salary and benefit expenditures history of this agency, the Subcommittee discovered the following information.

<u>Fiscal Year</u>	<u>Final Approved</u>	<u>Actual Expenditures</u>	<u>Net Difference</u>
1995	\$ 534,166	\$ 513,221	\$ 20,945
1996	\$ 558,522	\$ 524,483	\$ 34,039
1997	\$ 563,176	\$ 568,113	\$ (4,937)

The final approved amount for salaries and benefits reflects the net funding available after reductions for shrinkage were taken into account. The net difference represents the salary savings achieved after a shrinkage rate was applied.

### **House Committee Recommendation**

### **House Recommendation**

**SUBCOMMITTEE REPORT**

**Agency:** Kansas State Fair

**Bill No.** 643

**Bill Sec.** 37

**Analyst:** Holwegner

**Analysis Pg. No.** 635

**Budget Page No.** 183

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,133,470	\$ 3,133,470	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 3,133,470	\$ 3,133,470	\$ 0
Capital Improvements	<u>885,000</u>	<u>885,000</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 4,018,470</u></b>	<b><u>\$ 4,018,470</u></b>	<b><u>\$ 0</u></b>
<b>State General Fund:</b>			
State Operations	\$ 132,076	\$ 132,076	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal—Operating	\$ 132,076	\$ 132,076	\$ 0
Capital Improvements	<u>256,492</u>	<u>256,492</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 388,568</u></b>	<b><u>\$ 388,568</u></b>	<b><u>\$ 0</u></b>
FTE Positions	18.0	18.0	0.0
Unclass. Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<b><u>18.0</u></b>	<b><u>18.0</u></b>	<b><u>0.0</u></b>

**Agency Est./Governor's Recommendation**

**The Kansas State Fair estimates current year operating expenditures of \$3,133,470, including \$132,076 from the State General Fund.** The estimate is an increase of \$65,311 (all from agency fee funds) above the amount approved by the 1997 Kansas Legislature. Gate admissions at the 1997 Kansas State Fair increased 23,522 from the 1996 Fair. Attendance was 357,742, the second all-time high. Consequently, revenues were increased \$150,829 (including \$123,656 for the State Fair Fee Fund and \$27,173 in the Non-Fair Days Fund) and expenditures were increased by \$65,311. The majority of the expenditure increase was in the Operations Program's contractual services (\$51,779), including increases in rents (\$4,100); travel and subsistence (\$4,000); fees for other services (\$9,825); fees for professional services (\$13,675); and, other contractual services (\$25,050, principally for stage entertainment and fair decorations).

*Appropriations  
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Attachment 4*

The agency's current year estimate is an increase in operating expenditures of \$244,504 (8.5 percent) above FY 1997 actual expenditures of \$2,888,967. The following Operations Program expenditures reflect the principal increases for FY 1998 above FY 1997: entertainers-\$65,181; salaries and wages-\$52,451; and various other contractual services-\$71,455.

**The Governor** concurs with the agency's request for the current year.

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 1998 recommendation.

**Senate Committee Recommendation**

The Senate Committee concurs with the Subcommittee's recommendation.

Agency: Kansas State Fair

Bill No. 2895

Bill Sec. 37

Expenditure Summary	Agency Est. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 3,133,470	\$ 3,133,470	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 3,133,470	\$ 3,133,470	\$ 0
Capital Improvements	885,000	885,000	0
TOTAL	\$ 4,018,470	\$ 4,018,470	\$ 0
State General Fund:			
State Operations	\$ 132,076	\$ 132,076	\$ (115,000)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 132,076	\$ 132,076	\$ (115,000)
Capital Improvements	256,492	256,492	0
TOTAL	\$ 388,568	\$ 388,568	\$ (115,000)
FTE Positions	18.0	18.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	18.0	18.0	0.0

### **House Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 98 recommendation with the following adjustment.

1. Shift the funding source for the demand transfer of \$115,000 from the State General Fund to the Economic Development Initiatives Fund. The Subcommittee believes that the State Fair is a form of economic development, and it is appropriate for this fund to be the source for any demand transfer.

**SUBCOMMITTEE REPORT**

**Agency:** Kansas State Fair

**Bill No.** 642

**Bill Sec.** 92

**Analyst:** Holwegner

**Analysis Pg. No.** 625

**Budget Page No.** 183

<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,204,473	\$ 3,164,738	\$ (12,086)*
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 3,204,473	\$ 3,164,738	\$ (12,086)
Capital Improvements	<u>655,000</u>	<u>1,268,000</u>	<u>0</u>
<b>TOTAL</b>	<b><u><u>\$ 3,859,473</u></u></b>	<b><u><u>\$ 4,432,738</u></u></b>	<b><u><u>\$ (12,086)</u></u></b>
<b>State General Fund:</b>			
State Operations	\$ 171,568	\$ 121,840	\$ 10,000
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal—Operating	\$ 171,568	\$ 121,840	\$ 10,000
Capital Improvements	<u>438,300</u>	<u>203,300</u>	<u>0</u>
<b>TOTAL</b>	<b><u><u>\$ 609,868</u></u></b>	<b><u><u>\$ 325,140</u></u></b>	<b><u><u>\$ 10,000</u></u></b>
FTE Positions	18.0	18.0	0.0
Unclass. Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<b><u><u>18.0</u></u></b>	<b><u><u>18.0</u></u></b>	<b><u><u>0.0</u></u></b>

\* Includes a reduction of \$22,086 (all from non-State General Fund sources) for the Governor's employee salary adjustments.

**Agency Req./Governor's Recommendation**

The agency requests FY 1999 operating expenditures of \$3,204,473, of which \$171,568 is from the State General Fund. The agency's request is an increase of \$71,003 (2.3 percent), over the current year estimate and a State General Fund increase of \$39,492 (of which \$15,000 is requested for children's programs) over the current year estimate. The agency's request includes the payment of \$6,840 for the interest on the Grandstand Renovation bonds. The agency's requested increase for operating expenditures is proportioned as follows:

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**The Governor recommends FY 1999 operating expenditures of \$3,164,738, a reduction of \$39,735 from the agency request.** The recommendation includes funding of \$121,840 from the State General Fund (a reduction of \$49,728 from the agency request), and \$3,042,898 from agency fee funds (an increase of \$9,993 above the agency request). The recommendation is an increase of \$31,268 (10.3 percent) over the current year recommendation.

**Capital Improvements.** The agency requests FY 1999 capital improvements funding in the amount of \$655,000. Of the requested funding, \$438,000 is from the State General Fund, the bulk of which is for the requested **enhancement** for the first year of funding of the five-year plan to finance construction of a new Commercial Exhibit Building. (This request is discussed in more detail below). The agency requests an FY 1999 demand transfer from the State General Fund to the State Fair Capital Improvements Fund in the amount of \$210,140.

**The Governor recommends \$1,268,000 for capital improvements expenditures in FY 1999.** The recommendation is a increase of \$613,000 above the agency request which reflects the Governor's recommendation to finance entire FY 1999 construction of the new Commercial Building. **The Governor** concurs with the estimated demand transfer amount of \$210,140 for FY 1999.

### Enhancements

- ◆ **Fee Increases.** The agency requests authority to increase by \$1.00 the adult gate ticket. This ticket currently is \$4.00 and will be \$5.00 in 1998. The advance adult ticket price will remain at \$3.00. All other gate ticket prices are to remain constant. The Fair reports this increase is an effort to increase receipts to enable the agency to increase contributions to the State Fair Capital Improvements Fund. It is estimated the ticket increase will result in \$106,684 in new revenue.

The second requested fee increase is a \$20 stall fee assessed 4-H horses. The Fair anticipates revenues of \$10,400 from the new fee. These funds are earmarked to finance portable horse stalls.

**The Governor** recommends both the ticket increase and the stall fee.

- ◆ **Educational Opportunities for Children.** The Fair requests \$15,000 (SGF) for the Educational Field Trip program for children. The agency reports funding of this request will enhance the Fair's capacity to expand the Field Trip program to all children in the state. The agency states it would attempt to book the "Barn Tour" and/or the "Imagination Gallery."

**The Governor** does not recommends the requested program.

- ◆ **Reclassification of 1.0 FTE Position.** The Fair requests \$10,301 (Fee Fund) to finance a position reclassification from an Office Assistant IV to a Public Service Administrator I. The increase is \$9,042 for reclassification and \$1,259 in fringe benefits. This position is the Competitive Exhibits Director who oversees the 22 competitive exhibits departments that include horses, dairy cattle, foods fine arts, 4-H and other youth programs.

**The Governor** does not recommend the requested reclassification.



- ◆ **Combine Two Funds.** The Fair requests that the Legislature approve combining its two funds, the State Fair Fee Fund and the Non-Fair Days Activities Fund, into a single "no-limit" fund. The agency states this change would simplify accounting, reduce banking fees, and enable the agency to operate with a \$150,000 carry forward balance rather than a \$200,000 carry forward balance. The agency reports that the Non-Fair receipts and expenditures will continue to be tracked at the sub-program level.

**The Governor** makes no formal recommendation regarding this request.

- ◆ **Construction of New Exhibit Building (Capital Improvement Request).** The Fair requests \$209,728 for the first payment on KDFA revenue bonds for construction of a new exhibit building. The agency proposes financing the new building over a five period. The new building would relocate the 39 exhibitors who currently have space on the second floor of the Commercial Building. The agency states it is more cost effective to construct a new building that can be used year-round than to put \$500,000 into the second floor of a building that is used only 10 days a year. The new building will be approximately 20,250 square feet, which is half the size of the Industrial Building and could be rentable for non-fair events and activities. The agency request for the following four fiscal years of bond obligations (FY 2000-FY 2003) is to split the financing 50/50 between the State General Fund and the State Fair Capital Improvements Fund.

**The Governor** recommends \$848,000 from the State Budget Stabilization Fund to finance the building in entirely FY 1999.

### Senate Subcommittee Recommendation

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

1. **Delete \$22,086**, all from non-State General Fund sources based on the recommendation to delete funding for classified step movement (\$4,837), the 1.5 percent classified base salary increase (\$7,906), an unclassified merit pool of 4.0 percent (\$2,906), and the longevity bonus (\$6,437) from individual agency budgets.
2. **Add \$10,000** from the State General Fund, to cover the cost of local bank fees. The Kansas State Fair should not be financially penalized for conducting duties and responsibilities which the Legislature has charged it to complete.
3. Currently, a study has been commissioned to evaluate the necessary compliance measures, and their respective costs, required by ADA and EPA regulations. If the recommendations of that study are made prior to the end of session, the Subcommittee recommends that the compliance costs, tentatively estimated at \$50,000, be considered for funding during the Omnibus period.

### Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation with the additional recommendation:

1. Prior to the Omnibus session, it should be determined if it was previously more beneficial to the State Fair when its funds were deposited in a local bank and banking fees were waived in exchange for the bank retaining the interest generated by the funds.

Agency: Kansas State Fair

Bill No. 2893

Bill Sec. 92

Expenditure Summary	Agency Req. FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 3,204,473	\$ 3,164,738	\$ 25,301
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 3,204,473	\$ 3,164,738	\$ 25,301
Capital Improvements	655,000	1,268,000	0
TOTAL	<u>\$ 3,859,473</u>	<u>\$ 4,432,738</u>	<u>\$ 25,301</u>
State General Fund:			
State Operations	\$ 171,568	\$ 121,840	\$ (115,000)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 171,568	\$ 121,840	\$ (115,000)
Capital Improvements	438,300	203,300	0
TOTAL	<u>\$ 609,868</u>	<u>\$ 325,140</u>	<u>\$ (115,000)</u>
FTE Positions	18.0	18.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u>18.0</u>	<u>18.0</u>	<u>0.0</u>

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### House Subcommittee Recommendation

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

1. **Shift the funding source for the demand transfer of \$115,000 from the State General Fund to the Economic Development Initiatives Fund.** The Subcommittee believes that the State Fair is a form of economic development, and it is appropriate for this fund to be the source for any demand transfer.
2. **Add \$10,301 from the State Fair Fee Fund** to reclassify an Office Assistant IV to a Public Service Administrator I. The increase is \$9,042 for reclassification and \$1,259 in fringe benefits. This position is the Competitive Exhibits Director who oversees the 22 competitive exhibit departments that include horses, dairy cattle, food, fine arts, 4-H, and other youth programs. The current salary for the Exhibits Director is \$21,670, including fringe benefits.
3. **Add \$15,000 from the Economic Development Initiatives Fund** for the Educational Field Trip program for children. This will enhance the Fair's capacity to expand the Field Trip program to all children in the state.
4. Currently a study has been commissioned to evaluate the necessary compliance measures, and their respective costs, required by ADA and EPA regulations. If the recommendations of that study are made prior to the end of session, the Subcommittee recommends that the compliance costs, tentatively estimated at \$50,000, be considered for funding during the Omnibus period.
5. The Subcommittee notes the shrinkage rate for the State Fair which the Governor recommends in FY 1999 to reflect salary turnover savings of \$20,480, an amount equal to 1.9 percent of the total salary and benefit budget of \$1,102,454. The net FY 1999 Governor's recommended funding amount is \$1,081,974 for 18.0 FTE positions, temporary staff and fringe benefits. In reviewing the three-year salary and benefit expenditures history of this agency, the Subcommittee discovered the following information.

<u>Fiscal Year</u>	<u>Final Approved</u>	<u>Actual Expenditures</u>	<u>Net Difference</u>
1995	\$ 936,128	\$ 925,351	\$ 10,777
1996	952,963	937,542	15,421
1997	1,003,504	980,805	22,699

The final approved amount for salaries and benefits reflects the net funding available after reductions for shrinkage were taken into account. The net difference represents the salary savings achieved after a shrinkage rate was applied.

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**SUBCOMMITTEE REPORT**

**Agency:** Grain Inspection Department

**Bill No.**

**Bill Sec.**

**Analyst:** Holwegner

**Analysis Pg. No.** 649

**Budget Page No.** 199

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 853,029	\$ 962,382	\$ 0
Aid to Local Units		0	0
Other Assistance		0	0
Subtotal - Operating	<u>\$ 853,029</u>	<u>\$ 962,382</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 853,029</u></u>	<u><u>\$ 962,382</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	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
FTE Positions	117.0	0.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>117.0</u></u>	<u><u>0.0</u></u>	<u><u>0.0</u></u>

The Kansas State Grain Inspection Department was established in 1897. The Department , however, was abolished by 1997 Sub. For S.B. 317 and the warehouse inspecting foundation of the agency was made a part of the Kansas Department of Agriculture under the Grain Warehouse Inspection Program. The grain inspection program previously operated by the agency was privatized.

The Grain Inspection Department was to facilitate the orderly marketing of grain by certifying the official grade of grains for the grain industry and by providing producers of grain in Kansas assurance of solvent licensed warehouses.

**Agency Estimate/Governor's Recommendation**

**The Grain Inspection Department estimated FY 1998 expenditures of \$853,029, an increase of \$23,179 (2.8 percent) above the amount approved by the 1997 Legislature.** The estimate reflects two months of operations in FY 1998 and costs associated with ending operations.

*Appropriations  
3-6-98  
Attachment 5*

**The Governor recommends** FY 1998 expenditures of \$962,382 from the Grain Inspection Fee Fund. The recommendation is an increase of \$109,353 (12.8 percent) above the agency's FY 1998 estimate and a reduction of \$3,106,370 (76.3 percent) below FY 1997 actual expenditures. The Governor's recommendation is higher than the approved amount because the agency incurred expenses for the month of September 1997 while curtailing operations in August. The amount approved by the 1997 Legislature was to finance operations for two months of FY 1998. Of the 117.0 FTE positions reflected in FY 1997, 12.0 FTE positions and the Warehouse program were transferred to the Department of Agriculture pursuant to 1997 Substitute for S.B. 317.

**Senate Subcommittee Recommendations**

The Subcommittee concurs with the Governor's recommendation.

**Senate Committee Recommendations**

The Senate Committee concurs with the Subcommittee's recommendation.

**Agency:** Grain Inspection Department

**Bill No.**

**Bill Sec.**

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 853,029	\$ 962,382	\$ 0
Aid to Local Units		0	0
Other Assistance		0	0
Subtotal - Operating	\$ 853,029	\$ 962,382	\$ 0
Capital Improvements	0	0	0
<b>TOTAL</b>	<b>\$ 853,029</b>	<b>\$ 962,382</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
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
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	117.0	0.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>117.0</b>	<b>0.0</b>	<b>0.0</b>

## House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation with the following observation.

In the process of abolishing the Grain Inspection Department and moving the warehouse inspection function to the Department of Agriculture, the State of Kansas incurred an additional \$109,353 in expenses during July and August of 1997. The additional expenses were paid in September 1997.

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Water Office

**Bill No. –**

**Bill Sec. –**

**Analyst:** Holwegner

**Analysis Pg. No. 652**

**Budget Page No. 489**

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 5,486,447	\$ 5,486,447	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 5,486,447</u>	<u>\$ 5,486,447</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 5,486,447</u></u>	<u><u>\$ 5,486,447</u></u>	<u><u>\$ 0</u></u>
<b>State General Fund:</b>			
State Operations	\$ 1,296,821	\$ 1,296,821	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 1,296,821</u>	<u>\$ 1,296,821</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 1,296,821</u></u>	<u><u>\$ 1,296,821</u></u>	<u><u>\$ 0</u></u>
FTE Positions	21.5	21.5	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
<b>TOTAL</b>	<u><u>22.5</u></u>	<u><u>22.5</u></u>	<u><u>0.0</u></u>

**Agency Estimate/Governor's Recommendation**

**The agency estimates \$5,486,447 in operating expenditures for the current year,** an increase of \$110,021 over the amount approved by the 1997 Legislature. Estimated operating expenditures include \$1,296,821 from the State General Fund, \$2,499,212 from the State Water Plan Fund, and \$1,690,414 from all other special revenue funds. The increase over the approved amount is attributable to expenditures of \$119,921 in federal grants for Watershed Planning and Wetland/Riparian Areas and lower than anticipated payments from other no-limit funds (\$9,900). **(Staff Note:** The table above does not reflect \$454,082 in nonexpense items.)

**The Governor recommends \$5,486,447 for operating expenditures in FY 1998, the same as the agency's estimate.** The recommendation includes \$1,296,821 from the State General Fund, the same as the agency's request. The Governor's recommendation also includes \$2,499,212 from the State Water Plan Fund. The Governor concurs with the agency's estimate for expenditures from all other funding sources (\$1,690,414).

*Appropriations  
3-6-98  
Attachment 6*

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 1998 recommendation.

**Senate Committee Recommendation**

The Senate Committee concurs with the Subcommittee's recommendation.

Agency: Kansas Water Office

Bill No. --

Bill Sec. --

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 5,486,447	\$ 5,486,447	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 5,486,447	\$ 5,486,447	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 5,486,447</u></u>	<u><u>\$ 5,486,447</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,296,821	\$ 1,296,821	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 1,296,821	\$ 1,296,821	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 1,296,821</u></u>	<u><u>\$ 1,296,821</u></u>	<u><u>\$ 0</u></u>
FTE Positions	21.5	21.5	0.0
Unclassified Temp. Positions	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
TOTAL	<u><u>22.5</u></u>	<u><u>22.5</u></u>	<u><u>0.0</u></u>

**House Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 1998 recommendation.



**SUBCOMMITTEE REPORT**

**Agency:** Kansas Water Office

**Bill No.** 642

**Bill Sec.** 95

**Analyst:** Holwegner

**Analysis Pg. No.** 652

**Budget Page No.** 489

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 7,024,844	\$ 5,895,181	\$ (95,818) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 7,024,844	\$ 5,895,181	\$ (95,818)
Capital Improvements	0	0	0
<b>TOTAL</b>	<b>\$ 7,024,844</b>	<b>\$ 5,895,181</b>	<b>\$ (95,818)</b>
<b>State General Fund:</b>			
State Operations	\$ 1,384,745	\$ 1,402,640	\$ (43,757) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,384,745	\$ 1,402,640	\$ (43,757)
Capital Improvements	0	0	0
<b>TOTAL</b>	<b>\$ 1,384,745</b>	<b>\$ 1,402,640</b>	<b>\$ (43,757)</b>
FTE Positions	22.5	21.5	0.0
Unclassified Temp. Positions	0.0	1.0	0.0
<b>TOTAL</b>	<b>22.5</b>	<b>22.5</b>	<b>0.0</b>

\* Includes a reduction of \$45,818 (with \$43,757 from the State General Fund) for the Governor's employee salary adjustment.

**Agency Request/Governor's Recommendation**

**The agency requests a total of \$7,024,844 for FY 1999, of which \$1,384,745 is from the State General Fund.** The request is an increase of \$87,924 from the State General Fund, including \$39,012 for salaries and wages and \$48,912 for other operating expenditures. The remainder of the FY 1999 request (\$5,640,099) is a special revenue funds increase of \$1,450,473 above the current year estimate of \$4,189,626. **The requested change from the current year** reflects: **increases**—for **new** programs funded by the State Water Plan Fund (\$1,241,939) and net increases in **ongoing** State Water Plan funded programs (\$38,951) and for storage operations, maintenance, and PMIB Loan payments (\$315,262). **Offsetting decreases** include State Water Plan funded studies (\$57,755). The agency also requests 2.0 new FTE positions. Of the 2.0 FTE positions, 1.0 position would be a change from the current 1.0 Unclassified Temporary position, while the second 1.0 FTE position would be a conversion from a current contract for services paid by Water Marketing/Water Assurance customers. The agency requests no additional funding for the 2.0 new FTE positions as financing would come from existing resources.

**The Governor recommends \$5,895,181 for operating expenditures in FY 1999**, a reduction of \$1,129,663 from the agency request. The reduction from the agency request reflects: program enhancements which were not funded by the Governor (\$1,126,939), and reductions in salaries and wages reflecting the Governor's decision to not recommend the new 2.0 FTE positions (\$18,645). The recommendation includes a shrinkage rate of 0.5 percent compared to the agency's 1.5 percent. The shrinkage rate results in a savings of \$6,195. The recommendation reflects \$1,402,640 from the State General Fund, \$2,876,622 from the State Water Plan Fund, and \$1,615,919 from all other funding sources.

## **FY 1999 Enhancements**

- **FTE Accounting Specialist.** The agency requests a new 1.0 FTE Accounting Specialist for the Water Contracting programs. The agency requests this position due to an ongoing increase in the number and complexity of contracts. The agency reports that contracts now emanate from the Water Marketing program, the Water Assurance and Multipurpose Small Lakes programs, and contracts with the federal government. In addition, funding sources have expanded from two to six, adding to the complexity of program administration.

The agency has traditionally utilized a portion of existing revenues to contract for part-time bookkeeping services. The agency states that the bookkeeping work has suffered and now requests that funding earmarked for the contracts be utilized to finance a 1.0 FTE Accounting Specialist. **The Governor does not recommend** the new 1.0 FTE position.

- **Conversion of 1.0 Geographic Information System (GIS) Coordinator Unclassified Temporary position to 1.0 FTE position.** The agency requests that the 1.0 Unclassified Temporary position of the GIS Coordinator be converted to a 1.0 FTE position. The agency requests no additional funding for this conversion. The GIS Coordinator's salary is \$53,531 (including fringe benefits) and is funded through the GIS Policy Board from the State Water Plan Fund. **The Governor does not recommend** the new 1.0 FTE position.
- **Data/Research.** The agency requests \$115,000 from the State Water Plan Fund to finance study and evaluation of Reservoir Water Quality (\$90,000) and Groundwater Condition (\$25,000). The request regarding Groundwater Conditions would finance a review of conditions throughout the High Plains Aquifer which would be used to evaluate the cumulative impact of state and local efforts to encourage water conservation, wellhead protection, and nonpoint source pollution prevention over the last two decades. Funding for the Reservoir Water Quality study would finance an assessment of the quality of the sediments of selected reservoirs to provide a baseline of sediment and nutrient accumulation over time. **The Governor concurs** with this request.
- **Water Supply Acquisition—Milford and Perry.** The agency requests **\$1,126,939 from the State Water Plan Fund** for capital costs (\$846,701) and operation and maintenance costs (\$280,238) 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, and seeded with the requested funding to act as a standby account for the time when the state would call the storage into service. **The Governor does not recommend** this requested enhancement.

### Senate Subcommittee Recommendation

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

1. **Delete \$45,818**, including \$43,757 from the State General Fund, based on the recommendation to delete funding for classified step movement (\$12,206), the 1.5 percent classified base salary increase (\$15,054), an unclassified merit pool of 4.0 percent (\$5,047), and the longevity bonus (\$13,511) from individual agency budgets.
2. **Delete \$50,000 from the State Water Plan Fund** for the Kansas Water Office. Assuming the passage of S.B. 523 which authorizes the Governor's Buffer Initiative, this amount will be transferred to the State Conservation Commission's budget to help finance the first year of this new program. The Kansas Water Office has the discretion to decide which programs will be marginally reduced to achieve this overall reduction.
3. The Subcommittee notes receipt of the *Report on Recommended Direction of Activities Under the Kansas Water Plan* submitted by the Kansas Water Authority. The report outlines the views from interested persons that attended a "Water Plan Vision Summit" in Salina on November 13, 1997. The product of the summit was a series of ten draft goals for the Kansas Water Plan to achieve by the year 2010. The Subcommittee understands that the goals will receive a public hearing in March, 1998, and in July, 1998, the several basin advisory committees will also examine the draft goals. The Subcommittee hopes that the outcome of these activities will be the establishment of specific, intermediate goals that can be used to quantify the level of accomplishment.

### Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Agency: Kansas Water Office

Bill No. 2893

Bill Sec. 95

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,024,844	\$ 5,895,181	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 7,024,844	\$ 5,895,181	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 7,024,844</u></u>	<u><u>\$ 5,895,181</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,384,745	\$ 1,402,640	\$ 53,531
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 1,384,745	\$ 1,402,640	\$ 53,531
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 1,384,745</u></u>	<u><u>\$ 1,402,640</u></u>	<u><u>\$ 53,531</u></u>
FTE Positions	22.5	21.5	1.0
Unclassified Temp. Positions	<u>0.0</u>	<u>1.0</u>	<u>(1.0)</u>
TOTAL	<u><u>22.5</u></u>	<u><u>22.5</u></u>	<u><u>0.0</u></u>

**House Subcommittee Recommendation**

1. **Reclassify 1.0 Unclassified Temporary Position to 1.0 FTE Position, and shift the funding source for the salary (\$53,531) from the State Water Plan to the State General Fund.** The Geographic Information System (GIS) Coordinator position was established in 1991. The Subcommittee believes that this position is not temporary but full time. However, since there is a prohibition against using State Water Plan Funds for an FTE position, the State General Fund would be the most appropriate source.
2. Review the State Water Plan Fund receipts and expenditures for possible readjustment during the Omnibus session.
3. The Subcommittee discovered that the Water Supply Acquisition/Capital Improvements Fund is inactive. If this fund currently serves no purpose, it should be abolished.

- The Subcommittee notes the shrinkage rate for the Kansas Water Office which the Governor recommends in FY 1999 to reflect salary turnover savings of \$6,194, an amount equal to 0.5 percent of the total salary and benefit budget of \$1,242,567. The net FY 1999 Governor's recommended funding amount is \$1,235,623 for 21.5 FTE positions, temporary staff and fringe benefits. In reviewing the three-year salary and benefit expenditures history of this agency, the Subcommittee discovered the following information.

<u>Fiscal Year</u>	<u>Final Approved</u>	<u>Actual Expenditures</u>	<u>Net Difference</u>
1995	\$ 1,171,839	\$ 1,107,665	\$ 64,174
1996	1,170,888	1,156,068	14,820
1997	1,140,103	1,174,431	(34,328)

The final approved amount for salaries and benefits reflects the net funding available after reductions for shrinkage were taken into account. The net difference represents the salary savings achieved after a shrinkage rate was applied.

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Wheat Commission

**Bill No.** 643

**Bill Sec.** 36

**Analyst:** Holwegner

**Analysis Pg. No.** 670

**Budget Page No.** 491

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 2,585,564	\$ 2,574,308	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 2,585,564	\$ 2,574,308	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u><u>\$ 2,585,564</u></u></b>	<b><u><u>\$ 2,574,308</u></u></b>	<b><u><u>\$ 0</u></u></b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 0	\$ 0	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u><u>\$ 0</u></u></b>	<b><u><u>\$ 0</u></u></b>	<b><u><u>\$ 0</u></u></b>
FTE Positions	8.0	8.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<b><u><u>8.0</u></u></b>	<b><u><u>8.0</u></u></b>	<b><u><u>0.0</u></u></b>

**Agency Est./Governor's Recommendation**

**The agency estimates current year expenditures of \$2,585,564**, virtually the same (\$400 less) as that approved by the 1997 Legislature.

**The Governor recommends** expenditures of \$2,574,308 for FY 1998. The recommendation is \$11,256 (0.4 percent) less than the agency's estimate. The reduction reflects a decrease in salaries from the agency's estimate (\$2,916) and a decrease in other operating expenditures (\$8,340), all in capital outlay.

*Appropriations  
3-6-98  
Attachment 7*

### Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1998 recommendation.

### Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Agency: Kansas Wheat Commission

Bill No. 2895

Bill Sec. 36

Expenditure Summary	Agency Est. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,585,564	\$ 2,574,308	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,585,564	\$ 2,574,308	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,585,564</u>	<u>\$ 2,574,308</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	8.0	8.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

### House Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1998 recommendation.

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**SUBCOMMITTEE REPORT**

**Agency:** Kansas Wheat Commission

**Bill No.** 642

**Bill Sec.** 93

**Analyst:** Holwegner

**Analysis Pg. No.** 670

**Budget Page No.** 491

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,995,551	\$ 3,347,691	\$ (15,463) *
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 3,995,551	\$ 3,347,691	\$ (15,463)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 3,995,551</u></u>	<u><u>\$ 3,347,691</u></u>	<u><u>\$ (15,463)</u></u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 0	\$ 0	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
FTE Positions	8.0	8.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>8.0</u></u>	<u><u>8.0</u></u>	<u><u>0.0</u></u>

\* Includes a reduction of \$15,463 (all from non-State General Fund sources) for the Governor's employee salary adjustments.

**Agency Request/Governor's Recommendation**

**The Kansas Wheat Commission requests FY 1999 expenditures of \$3,995,551**, all from the Wheat Commission Fee Fund. The amount requested is an increase of \$1,409,987 (54.5 percent) over the current year estimate of \$2,585,564. The request reflects increases of \$1,400,500 in marketing and research contracts and \$10,013 in salaries and wages. The FY 1999 request is an increase of \$1,943,061 (95.0 percent) over FY 1997 actual expenditures.

**The Governor recommends** FY 1999 expenditures of \$3,347,691 from the Wheat Commission Fee Fund, a reduction of \$647,860 from the agency request, but an increase of \$773,383 over the



current year recommendation. The recommendation reflects a reduction from the agency request of \$650,000 in contractual services. That reduction is offset by an increase in salaries and wages of \$2,140.

## Enhancements

- **Wheat Research Reserve Fund.** The Commission requests the creation of this new fund and that it be financed with \$650,000 from the fee fund. The new fund would be administered by the KSU Foundation, to be used subject to Commission approval. Contracts to be awarded from the new fund would be for wheat-related research work at KSU.

**The Governor** does not recommend this enhancement.

- **International Grain Program Expansion Fund.** The Commission requests the creation of this new fund and that it be financed with \$500,000 from the fee fund. This new fund would also be administered by the KSU Foundation. The fund would be used to provide financial support by Kansas wheat producers for the International Grains Programs training facility. The IGP offers short courses and seminars in flour milling, grain purchasing, grain storage, and grain processing to overseas customers of U.S. grain. The Commission states that the IGP is one of the best international market development tools that the agency currently has. Presently, the Kansas State University Department of Grain Science and Industry is launching a fund raising campaign to build a new grain science complex on the KSU campus. The new complex will include a feed mill, flour mill, classroom facilities, and a baking science facility. There is also an opportunity to build an IGP facility. The agency states that although smaller than the other segments of the complex, the IGP facility would be free standing, with its own identity as a world class training center in buying and processing U.S. grains. This proposed new fund and capital would be used for the purpose of Kansas wheat producer support for the IGP training facility.

**The Governor** concurs with this request.

## Senate Subcommittee Recommendations

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

1. a. **Delete \$15,463**, all from non-State General Fund sources, based on the recommendation to delete funding for classified step movement (\$4,244), the 1.5 percent classified base salary increase (\$3,164), an unclassified merit pool of 4.0 percent (\$4,637), and the longevity bonus (\$3,418) from individual agency budgets.
2. The Subcommittee reports that during this last harvest, over 500 million bushels of wheat were harvested. This record harvest is a tribute to the hard work of today's Kansas farmers and to past research and development activities. The Wheat Commission endeavors to find new, better quality strains of wheat and to expand the

market share for Kansas wheat. Within the next fiscal year \$3,196,500 will be spent in research and marketing studies, and many of them will be conducted on the campus of Kansas State University and at the International Grains Programs training facility. The IGP offers short courses and seminars in flour milling, grain purchasing, grain storage, and grain processing to overseas customers of U.S. grain. The IGP is one of the best international marketing tools which the Wheat Commission has. The Subcommittee commends the Kansas Wheat Commission for its successful efforts.

3. The Subcommittee notes the Wheat Commission's request to establish a wheat research reserve fund with \$650,000. While the Subcommittee does not recommend this expenditure from the Wheat Commission Fee Fund, the Subcommittee suggests that the organizational location of all commodity grain funds may deserve consideration during a future legislative session.

### Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

**Agency:** Kansas Wheat Commission

**Bill No.** 2893

**Bill Sec.** 93

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,995,551	\$ 3,347,691	\$ 650,000
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 3,995,551</u>	<u>\$ 3,347,691</u>	<u>\$ 650,000</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 3,995,551</u></u>	<u><u>\$ 3,347,691</u></u>	<u><u>\$ 650,000</u></u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
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
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>8.0</u></u>	<u><u>8.0</u></u>	<u><u>0.0</u></u>

## House Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1999 recommendation with the following adjustments, recommendations, and observations.

1. **Introduce legislation to establish a Wheat Research Reserve Fund with \$650,000 from the Kansas Wheat Commission Fee Fund, and the reserve fund is to retain the interest.** The fund is to be used in the case of a funding shortfall for ongoing wheat research and market development. Appropriations from the reserve fund shall be made subject to the approval by both the Kansas Wheat Commission and the legislative appropriations process. After the record harvest of last year, it would be prudent to establish a reserve fund when the Wheat Commission Fee Fund is at a high level, an estimated \$4,430,000 for FY 1998.
2. The Subcommittee asks the Wheat Commission to establish outcome and performance measures to be used to quantify the level of accomplishment.
3. The Subcommittee wishes to note a correction on page 675 of the *Budget Analysis, Fiscal Year 1999*. The number of bushels harvested (in millions) for FY 1997 is 255.5, for FY 1998 it is 506, and for FY 1999 it is estimated at 373 bushels.

**FY 1998 and FY 1999**  
**House Subcommittee Report on**  
**Animal Health Department**

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Representative Carl Holmes  
Chairman



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Representative Jeff Peterson



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Representative Bill Feuerborn

*Appropriations*  
*3-6-98*  
*Attachment 8*

**SUBCOMMITTEE REPORT**

**Agency:** Animal Health Department

**Bill No. –**

**Bill Sec. –**

**Analyst:** Holwegner

**Analysis Pg. No. 608**

**Budget Page No. 75**

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,874,487	\$ 1,874,487	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 1,874,487</u>	<u>\$ 1,874,487</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 1,874,487</u></u>	<u><u>\$ 1,874,487</u></u>	<u><u>\$ 0</u></u>
<b>State General Fund:</b>			
State Operations	\$ 567,128	\$ 567,128	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 567,128</u>	<u>\$ 567,128</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 567,128</u></u>	<u><u>\$ 567,128</u></u>	<u><u>\$ 0</u></u>
FTE Positions	29.0	29.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>29.0</u></u>	<u><u>29.0</u></u>	<u><u>0.0</u></u>

**Agency Est./Governor's Recommendation**

**The agency estimates current year expenditures of \$1,874,487, the same as the amount approved by 1997 Legislature.** The FY 1997 agency estimate is an increase of 11.2 percent over FY 1997 actual expenditures of \$1,685,706. The estimate reflects \$567,128 from the State General Fund and \$1,307,359 from agency fee funds.

**The Governor recommends operating expenditures of \$1,874,487** in the current year, the same as the agency estimate.

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 1998 recommendation.

**Senate Committee Recommendation**

The Senate Committee concurs with the Subcommittee's recommendation.

**Agency:** Animal Health Department

**Bill No. –**

**Bill Sec. –**

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,874,487	\$ 1,874,487	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 1,874,487</u>	<u>\$ 1,874,487</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,874,487</u></u>	<u><u>\$ 1,874,487</u></u>	<u><u>\$ 0</u></u>
<b>State General Fund:</b>			
State Operations	\$ 567,128	\$ 567,128	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 567,128</u>	<u>\$ 567,128</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 567,128</u></u>	<u><u>\$ 567,128</u></u>	<u><u>\$ 0</u></u>
FTE Positions	29.0	29.0	0.0
Unclassified 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>

**House Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 1998 recommendations.

**SUBCOMMITTEE REPORT**

**Agency:** Animal Health Department

**Bill No.** 642

**Bill Sec.** 91

**Analyst:** Holwegner

**Analysis Pg. No.** 608

**Budget Page No.** 75

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,899,984	\$ 1,878,560	\$ (5,979) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,899,984	\$ 1,878,560	\$ (5,979)
Capital Improvements	0	0	0
<b>TOTAL</b>	<b><u>\$ 1,899,984</u></b>	<b><u>\$ 1,878,560</u></b>	<b><u>\$ (5,979)</u></b>
<b>State General Fund:</b>			
State Operations	\$ 601,707	\$ 578,744	\$ 25,949 *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 601,707	\$ 578,744	\$ 25,949
Capital Improvements	0	0	0
<b>TOTAL</b>	<b><u>\$ 601,707</u></b>	<b><u>\$ 578,744</u></b>	<b><u>\$ 25,949</u></b>
FTE Positions	30.0	29.0	1.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>30.0</u></b>	<b><u>29.0</u></b>	<b><u>1.0</u></b>

\* Includes a reduction of \$42,288 (\$10,360 from the State General Fund) for the Governor's employee salary adjustments.

**Agency Request/Governor's Recommendation**

The agency estimate for FY 1999 for the Animal Health Department totals \$1,899,984, of which \$601,707 is from the State General Fund and \$1,298,277 is from the agency's fee funds. The amount requested is an increase of \$25,497 (1.4 percent) over the current year estimate of \$1,874,487.

The Governor recommends FY 1999 operating expenditures of \$1,878,560, of which \$578,744 is from the State General Fund and \$1,299,816 is from agency fee funds. The recommendation is a decrease of \$21,424 (1.1 percent) from the agency request.

## Senate Subcommittee Recommendation

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

1. **Delete \$42,288**, including \$10,360 from the State General Fund, based on the recommendation to delete funding for classified step movement (\$15,389), the 1.5 percent classified base salary increase (\$13,665), an unclassified merit pool of 4.0 percent (\$2,927), and the longevity bonus (\$10,307) from individual agency budgets.
2. **Create 1.0 FTE Animal Facility Inspector.** Add \$36,309 from the State General Fund, which includes \$26,643 for salary and wages and \$9,566 for other operating expenses that are associated with the position. The agency reports that there is a growing work load of registering and investigating kennels. Presently there are over 1,077 licensees in the state of Kansas. Currently 170 facilities have failed two or more inspections. The facilities would have received warnings or fines had there been an additional inspector.

This position will be a roving inspector to provide administrative support and security support for the current 5.0 animal facility inspectors. Often the inspection must conduct their work either at night or on the weekends. This position will help provide safety by accompanying inspectors in the field for problem situations. The inspector will also complete the administrative paperwork and, when necessary, develop materials for administrative or judicial proceedings.

The Animal Health Department estimates that with the position \$76,000 could be issued as fines. Without the position, only \$25,000 may be levied.

3. **The Subcommittee is concerned with the special revenue funds** which finance the agency. Receipts for two of the largest funds, the Animal Disease Control Fee Fund and the Animal Facilities Fee Fund, continue to decrease while expenses continue to increase at a faster rate. All fee rates are currently set at their maximum rates allowed by statute. The Subcommittee requests the agency to identify new or additional funding sources and provide alternatives for this subcommittee to consider during the 1999 Legislative Session.
4. **The Subcommittee commends the Animal Health Department** for success in keeping Kansas herds free from brucellosis and pseudorabies. Six herds with the disease were destroyed this past year, 3 herds in Harper County, 2 in Phillips, and 1 in Allen. Presently no cattle herds have been diagnosed with brucellosis. Pseudorabies is no longer a threat to the state's swine herds. Under the national pseudorabies program, Kansas has been designated as a Stage 3 state which allows for the free interstate movement of feeder pigs. Within this year Kansas will be granted Stage 4 status which allows for free interstate movement of breeding stock. This will allow Kansas producers to save many test fee dollars. The Subcommittee encourages the Animal Health Department to remain vigilante to continued testing for these and other diseases.



**Senate Committee Recommendation**

The Senate Committee concurs with the Subcommittee's recommendation.

**Agency:** Animal Health Department

**Bill No.** 2893

**Bill Sec.** 91

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 1,899,984	\$ 1,878,560	\$ 36,309
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,899,984	\$ 1,878,560	\$ 36,309
Capital Improvements	0	0	0
<b>TOTAL</b>	<b>\$ 1,899,984</b>	<b>\$ 1,878,560</b>	<b>\$ 36,309</b>
<b>State General Fund:</b>			
State Operations	\$ 601,707	\$ 578,744	\$ 36,309
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 601,707	\$ 578,744	\$ 36,309
Capital Improvements	0	0	0
<b>TOTAL</b>	<b>\$ 601,707</b>	<b>\$ 578,744</b>	<b>\$ 36,309</b>
FTE Positions	30.0	29.0	1.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>30.0</b>	<b>29.0</b>	<b>1.0</b>

**House Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 1999 recommendations with the following adjustments, recommendations, and observations.

1. **Create 1.0 FTE Animal Facility Inspector.** Add \$36,309 from the State General Fund, which includes \$26,643 for salary and wages and \$9,566 for other operating expenses that are associated with the position. The agency reports that there is a growing work load of registering and investigating kennels. Presently there is more than 1,000 kennels in the State of Kansas. Currently 170 facilities have failed two

or more inspections. The facilities would have received warnings or fines had there been an additional inspector.

This position will be a roving inspector to provide security and administrative support for the current 5.0 animal facility inspectors. This position will help provide safety by accompanying inspectors in the field for those problem situations. The inspector will also complete the administrative paperwork and, when necessary, develop materials for administrative or judicial proceedings.

The Animal Health Department estimates that with the position \$76,000 could be issued as fines. Without the position, only \$25,000 may be levied. Money collected from fines goes to the State General Fund.

2. **Fee Funds.** The Subcommittee is concerned with 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 constant decline in receipts for the past 16 years due to a decline in both the number of livestock markets and the number of animals that are sold at those markets. The Subcommittee is concerned that if the pattern continues where receipts decrease and expenditures increase, the State General Fund may be heavily burdened. Over the past ten years the State General Fund has been used to finance an additional \$224,363. This trend should not continue.

The Animal Dealer Fee Fund is in the same predicament. The annual carryover balance is dwindling as expenditures continue to increase but the receipts do not. The Subcommittee is concerned that if the pattern continues where receipts decrease and expenditures increase, the State General Fund may be heavily burdened. This trend should not continue.

The Subcommittee acknowledges receipt of new or additional funding alternatives identified by the agency. The funding alternatives included an increase in some fees (which are now at their statutory maximum), a vaccination fee for dogs, cats, and ferrets, and a pet food tonnage tax. The Subcommittee hopes that the Animal Health Department will consider to formally propose legislation, regarding these or other alternatives, for the 1999 Legislature to consider.

3. The Subcommittee notes the shrinkage rate for the Animal Health Department which the Governor recommends in FY 1999 to reflect salary turnover savings of \$28,052, an amount equal to 2.5 percent of the total salary and benefit budget of \$1,122,054. The net FY 1999 Governor's recommended funding amount is \$1,094,002 for 29.0 FTE positions, temporary staff and fringe benefits. In reviewing the three-year salary and benefit expenditures history of this agency, the Subcommittee discovered the following information.

<u>Fiscal Year</u>	<u>Final Approved</u>	<u>Actual Expenditures</u>	<u>Net Difference</u>
1995	\$ 966,975	\$ 965,878	\$ 1,097
1996	1,000,710	898,951	101,759
1997	1,018,867	953,709	65,158

The final approved amount for salaries and benefits reflects the net funding available after reductions for shrinkage were taken into account. The net difference represents the salary savings achieved after a shrinkage rate was applied.

**REVISED**

March 3, 1998

**To:** House Appropriations Committee**From:** Julian Efird, Principal Analyst, Kansas Legislative Research Department and  
Mary Torrence, Assistant Revisor, Revisor of Statutes Office**Re:** 1998 Substitute for H.B. 2704 Provisions and Amendments**I. Statewide planning and policy****A. Kansas Information Resources Council (KIRC) reconstituted and renamed Information Technology (IT) Executive Council****1. Membership—17 statutory voting**

- a. Executive Branch: Secretary of Administration, Chairperson; Budget Director; Executive Chief Information Technology Officer (CITO); two cabinet agency heads; one noncabinet agency head
- b. Board of Regents: Executive Director
- c. Board of Education: Commissioner
- d. Legislative branch: Legislative CITO
- e. Judicial branch: Judicial CITO, and, Judicial Administrator
- f. Private sector: Three CITOs or CEOs
- g. Local governments: One city and one county representative
- h. Information Network of Kansas (INK): Network Manager

**2. Only members vote, not members' designees****3. Functions: establishes IT architecture and IT policy for all branches of state government; retains KIRC's planning duties; KIRC's nonplanning duties transferred to Executive CITO**

*Appropriations  
3-6-98  
Attachment 9*

B. Chief Information Technology Architect (CITA)

1. Current Chief Information Architect (CIA) reconstituted and renamed CITA; appointed by Secretary of Administration, with approval of Governor; reports to Secretary of Administration and Governor
2. Nonvoting member and secretary of IT Executive Council; retains planning and policy duties of current CIA; nonplanning duties of current CIA transferred to Executive CITO
3. Current CIA position transferred to Legislative CITO position; staff of current CIA office stay in Executive Branch
4. Duties: develops state's strategic IT management plan and monitors IT

II. Implementation

A. Executive CITO

1. Appointed by Secretary of Administration, with approval of Governor; reports to Secretary of Administration and Governor
2. Duties: reviews Executive Branch agency three-year plans, deviations from IT architecture, threshold IT projects, and threshold IT project overruns
3. Performs nonplanning duties of old CIA

B. Judicial CITO

1. Appointed by Judicial Administrator and approved by Chief Justice; reports to Judicial Administrator
2. Duties: reviews Judicial Branch agency three-year plans, deviations from IT architecture, threshold IT projects, and threshold IT project overruns

C. Legislative CITO

1. Position filled as provided in H.B. 2704 with current CIA position; future vacancy filled by LCC with input from Joint IT Committee
2. Duties: reviews Legislative Branch agency three-year plans, deviations from the state IT architecture, threshold IT projects, and threshold IT project overruns
3. Serves as staff to Joint IT Committee

III. Coordination and Oversight

A. CITA and CITO Cooperation

1. CITA, Executive CITO, Judicial CITO, and Legislative CITO cooperate for purposes of sharing information
2. CITA receives CITO reports on deviations from the state IT architecture

B. Joint Information Technology (IT) Committee

1. Joint Committee on Computers and Telecommunications (JCCT) renamed and terms of office rescheduled
2. On July 1 of each year, Executive CITO, Judicial CITO, and Legislative CITO submit three-year plans, budgets for threshold IT projects, threshold IT project overruns, and deviations from the state IT architecture for agencies in each branch of government

IV. Threshold IT projects and threshold IT project overruns would be in amounts provided by H.B. 2704. **A general IT budget would not have to be submitted.**

- A. All agencies proposing an information technology project costing \$250,000 or more would submit a project budget estimate as specified by the bill.
- B. Whenever the total cost of a project increases by the lesser amount of \$1.0 million or 10.0 percent of the approved cost, the agency head would notify the Joint Committee.