

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:05 a.m. on February 15, 2001, in Room 514-S of the Capitol.

All members were present.

Committee staff present: Alan Conroy, Legislative Research
Rae Anne Davis, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee:

Others attending: ~~XXXXXXXXXX~~

Chairman Wilk referred **HB 2507** to the General Government and Human Resources Budget Committee.

Representative Schwartz, Chairperson of the Agriculture and Natural Resources Budget Committee presented the Budget Committee report on the Governor's budget recommendations for the State Corporation Commission for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 with the noted comments and exception (Attachment 1). Motion was seconded by Representative Klein. Motion carried.

Representative Schwartz presented the Budget Committee report on the Governor's budget recommendations for the State Corporation Commission for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with the noted comments and exception (Attachment 1). Motion was seconded by Representative Klein. Motion carried.

Representative Klein presented the Budget Committee report on the Governor's budget recommendations for the Citizens' Utility Ratepayer Board for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 with the noted comments and exception (Attachment 1). Motion was seconded by Representative Schwartz. Motion carried.

Representative Klein presented the Budget Committee report on the Governor's budget recommendations for the Citizens' Utility Ratepayer Board for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with the noted comments and exception (Attachment 1). Motion was seconded by Representative Schwartz. Motion carried.

It was pointed out that the Governor's budget recommendation did not fund the 2 FTE's as requested by the agency, however it did provide extra funding for professional witnesses.

Representative Henry moved for the introduction of legislation which would create the AgrAbility assistive technology initiative. Motion was seconded by Representative Bethell. Motion carried.

Representative Neufeld moved for the introduction of legislation which would create the Underground Utility Damage Prevention Act. Motion was seconded by Representative Minor. Motion carried.

The meeting was adjourned at 10:00 a.m. The next meeting is scheduled for Friday, February 16, 2001.

**AGRICULTURE AND NATURAL
RESOURCES BUDGET COMMITTEE**


FY 2001 and FY 2002

Kansas Corporation Commission
Citizens Utility Ratepayer Board


Representative Sharon Schwartz, Chairperson


Representative Vaughn Flora


Representative Carl Holmes


Representative Tom Klein


Representative Bruce Larkin


Representative Bill McCreary


Representative Don Myers

HOUSE APPROPRIATIONS

DATE 3/6/01
ATTACHMENT #1

Senate Subcommittee Report

Agency: State Corporation Commission

Bill No. ---

Bill Sec. ---

Analyst: Severn

Analysis Pg. No. 1419

Budget Page No. 113

<u>Expenditure Summary</u>	<u>Agency Estimate FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Subcommittee Adjustments *</u>
State Operations			
Special Revenue Funds	\$ 17,727,286	\$ 17,639,274	\$ 96,240
FTE Positions	209.0	209.0	0.0
Other Unclassified Positions	1.0	1.0	0.0
TOTAL	<u>210.0</u>	<u>210.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimated expenditures for FY 2001 of \$17,727,286 exceed the approved budget by \$1,792,842. Most of the increase is accounted for by an estimated increase in well plugging and remediation expenditures from the Oil and Gas Well Plugging Fund. The agency also estimated staffing of 1.0 other unclassified position for the Oil and Gas Well Plugging Coordinator approved by the 2000 Legislature as an FTE position. Included in the agency's request was \$298,503 in KSIP expenditures.

The Governor recommends expenditures of \$17,639,274, an increase of \$1,704,830 above the approved budget. The Governor made a \$2,483 reduction to salaries and wages for base salary and fringe benefit corrections and increased shrinkage, and recommended a total of \$463,521 of eligible expenditures from the agency's KSIP accounts. The Governor's recommendation includes \$10,049,410 for salaries and wages, \$6,450,372 for contractual services, \$159,492 for commodities, \$760,000 for Aid to Local Units, and \$220,000 for Other Assistance, Grants, and Benefits.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following comments and exceptions:

1. The Subcommittee recognizes the progress of the Conservation Division with respect to oil and gas well plugging and remediation. The Subcommittee views with approval the Division goal of expending nearly all of its available funding for well plugging and remediation in FY 2001 and in FY 2002. The Subcommittee also notes that one remediation project, the Burrton project in Reno and Harvey Counties, is expected to cost nearly \$3 million over several years.

2. To continue this important program of oil and gas well plugging and remediation, the Subcommittee recommends that a bill be introduced to extend the sunset date in K.S.A. 55-193 by seven years, from July 1, 2002, to July 1, 2009.
3. The Subcommittee notes that it was assured by the Chairman of the Commission by letter that the Commission could fulfill its responsibilities within the recommended budget.
4. The Subcommittee learned that a brine spill remediation project funded through a federal grant and included in the agency's amended budget was not addressed by the Governor. Spending for the project in FY 2001 and FY 2002 will total \$248,520, of which \$191,000 will be from federal funds and \$57,520 will be in-kind contributions from the Conservation Division. The Subcommittee adds \$96,240 in FY 2001 from federal funds to reflect this expenditure. The Subcommittee notes that the FY 2001 agency match of \$26,580 will be made through expenditures already reflected in the agency budget.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not addressed this agency.

House Budget Committee Report

Agency: State Corporation Commission

Bill No. --

Bill Sec. --

Analyst: Severn

Analysis Pg. No. 1419 Budget Page No. 113

<u>Expenditure Summary</u>	<u>Agency Estimate FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Budget Committee Adjustments</u>
State Operations			
Special Revenue Funds	\$ 17,727,286	\$ 17,639,274	\$ 96,240
FTE Positions	209.0	209.0	0.0
Other Unclassified Positions	1.0	1.0	0.0
TOTAL	<u>210.0</u>	<u>210.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimated expenditures for FY 2001 of \$17,727,286 exceed the approved budget by \$1,792,842. Most of the increase is accounted for by an estimated increase in well plugging and remediation expenditures from the Oil and Gas Well Plugging Fund. The agency also estimated staffing of 1.0 other unclassified position for the Oil and Gas Well Plugging Coordinator approved by the 2000 Legislature as an FTE position. Included in the agency's request was \$298,503 in KSIP expenditures.

The Governor recommends expenditures of \$17,639,274, an increase of \$1,704,830 above the approved budget. The Governor made a \$2,483 reduction to salaries and wages for base salary and fringe benefit corrections and increased shrinkage, and recommended a total of \$463,521 of eligible expenditures from the agency's KSIP accounts. The Governor's recommendation includes \$10,049,410 for salaries and wages, \$6,450,372 for contractual services, \$159,492 for commodities, \$760,000 for Aid to Local Units, and \$220,000 for Other Assistance, Grants, and Benefits.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following comments and exception:

1. The Budget Committee applauds the Conservation Division for its efforts with respect to oil and gas well plugging and remediation. The Committee notes that the Division has an excellent chance of meeting its goal of expending nearly all its available funding for well plugging and remediation in FY 2001 and in FY 2002.

2. To continue this important program of oil and gas well plugging and remediation, the Budget Committee recommends that a bill be introduced to extend the sunset date in K.S.A. 55-193 by seven years, from July 1, 2002, to July 1, 2009.
3. The Budget Committee expresses its concern about turnover in the Utilities Division, and recommends that enhancing employee retention be given a high priority. To help to accomplish this goal, the Committee recommends that the agency utilize KSIP funds for employee bonuses.
4. The Budget Committee learned that a brine spill remediation project funded through a federal grant and included in the agency's amended budget was not addressed by the Governor. Spending for the project in FY 2001 and FY 2002 will total \$248,520, of which \$191,000 will be from federal funds and \$57,520 will be in-kind contributions from the Conservation Division. The Committee adds \$96,240 in FY 2001 from federal to reflect this expenditure. The Committee notes that the FY 2001 agency match of \$26,580 will be made through expenditures already reflected in the agency budget.

Senate Subcommittee Report

Agency: State Corporation Commission

Bill No. ---

Bill Sec. ---

Analyst: Severn

Analysis Pg. No. 1419

Budget Page No. 113

Expenditure Summary	Agency Request FY 02	Gov. Rec. FY 02	Subcommittee Adjustments *
State Operations			
Special Revenue Funds	\$ 17,142,039	\$ 16,922,899	\$ (184,914)
FTE Positions	212.0	210.0	0.0
Other Unclassified Positions	1.0	1.0	0.0
TOTAL	213.0	211.0	0.0

* The reduction includes \$279,674 for the Governor's recommended employee pay plan adjustment, offset by an addition of \$94,760 for a federal grant.

Agency Request/Governor's Recommendation

The agency's request for FY 2002 of \$17,142,039 is a decrease of \$585,247 (3.3 percent) from the estimated FY 2001 expenditures. The request includes \$1.6 million for well plugging and remediation expenditures from the Oil and Gas Well Plugging Fund, a decrease of approximately \$1.2 million from the FY 2001 estimate.

The agency's request includes four enhancements. The first is for two Special Investigators in the Transportation program to address "at risk" carriers, 2.0 FTE and \$119,094, including some start-up and operating costs. The second enhancement request is for a Financial Compliance Auditor in the Conservation Division, 1.0 FTE and \$27,839. The third enhancement request is for an additional \$200,000 in contractual services for professional consulting fees for the Utilities program. The agency anticipated several major rate and merger cases within the year. The fourth enhancement request is for \$47,500 for training costs in the Utilities program. Of these enhancement requests, the Governor recommends only one, the Financial Compliance Auditor in the Conservation Division.

The Governor recommends expenditures of \$16,922,899, a decrease of \$716,375 (4.1 percent) below the FY 2001 recommendation. The Governor's recommendation includes \$10,457,419 for salaries and wages, \$5,330,226 for contractual services, \$163,311 for commodities, \$271,943 for capital outlay, and \$700,000 for Aid to Local Units.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following comments and exceptions:

1. The Subcommittee recognizes the progress of the Conservation Division with respect to oil and gas well plugging and remediation. The Committee views with approval the Division goal of expending nearly all of its available funding for well plugging and remediation in FY 2001 and in FY 2002. The Subcommittee also notes that one remediation project, the Burrton project in Reno and Harvey Counties, is expected to cost nearly \$3 million over several years.
2. To continue this important program of oil and gas well plugging and remediation, the Subcommittee recommends that a bill be introduced to extend the sunset date in K.S.A. 55-193 by seven years, from July 1, 2002, to July 1, 2009.
3. The Subcommittee learned that a brine spill remediation project funded through a federal grant and included in the agency's amended budget was not addressed by the Governor. Spending for the project in FY 2001 and FY 2002 will total \$248,520, of which \$191,000 will be from federal funds and \$57,520 will be in-kind contributions from the Conservation Division. The Subcommittee adds \$94,760 in FY 2002 from federal funds to reflect this expenditure. The Subcommittee notes that the FY 2002 agency match of \$30,940 will be made through expenditures already reflected in the agency budget.
4. The Subcommittee notes that it was assured by the Chairman of the Commission by letter that the Commission could fulfill its responsibilities within the recommended budget.
5. Delete \$279,674 for the Governor's recommended employee pay plan adjustment.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not addressed this agency.

House Budget Committee Report

Agency: State Corporation Commission

Bill No. --

Bill Sec. --

Analyst: Severn

Analysis Pg. No. 1419

Budget Page No. 113

<u>Expenditure Summary</u>	<u>Agency Request FY 02</u>	<u>Gov. Rec. FY 02</u>	<u>Budget Committee Adjustments</u>
State Operations			
Special Revenue Funds	\$ 17,142,039	\$ 16,922,899	\$ 94,760
FTE Positions	212.0	210.0	0.0
Other Unclassified Positions	1.0	1.0	0.0
TOTAL	<u>213.0</u>	<u>211.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's request for FY 2002 of \$17,142,039 is a decrease of \$585,247 (3.3 percent) from the estimated FY 2001 expenditures. The request includes \$1.6 million for well plugging and remediation expenditures from the Oil and Gas Well Plugging Fund, a decrease of approximately \$1.2 million from the FY 2001 estimate.

The agency's request includes four enhancements. The first is for two Special Investigators in the Transportation program to address "at risk" carriers, 2.0 FTE and \$119,094, including some start-up and operating costs. The second enhancement request is for a Financial Compliance Auditor in the Conservation Division, 1.0 FTE and \$27,839. The third enhancement request is for an additional \$200,000 in contractual services for professional consulting fees for the Utilities program. The agency anticipated several major rate and merger cases within the year. The fourth enhancement request is for \$47,500 for training costs in the Utilities program. Of these enhancement requests, the Governor recommends only one, the Financial Compliance Auditor in the Conservation Division.

The Governor recommends expenditures of \$16,922,899, a decrease of \$716,375 (4.1 percent) below the FY 2001 recommendation. The Governor's recommendation includes \$10,457,419 for salaries and wages, \$5,330,226 for contractual services, \$163,311 for commodities, \$271,943 for capital outlay, and \$700,000 for Aid to Local Units.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following comments and exception:

1. The Budget Committee applauds the Conservation Division for its efforts with respect to oil and gas well plugging and remediation. The Committee notes that the Division has an excellent chance of meeting its goal of expending nearly all its available funding for well plugging and remediation in FY 2001 and in FY 2002.
2. To continue this important program of oil and gas well plugging and remediation, the Budget Committee recommends that a bill be introduced to extend the sunset date in K.S.A. 55-193 by seven years, from July 1, 2002, to July 1, 2009.
3. The Budget Committee expresses its concern about turnover in the Utilities Division, and recommends that enhancing employee retention be given a high priority. To help accomplish this goal, the Committee recommends that the agency utilize KSIP funds for employee bonuses.
4. The Budget Committee learned that a brine spill remediation project funded through a federal grant and included in the agency's amended budget was not addressed by the Governor. Spending for the project in FY 2001 and FY 2002 will total \$248,520, of which \$191,000 will be from federal funds and \$57,520 will be in-kind contributions from the Conservation Division. The Committee adds \$94,760 in FY 2002 from federal funds to reflect this expenditure. The Committee notes that the FY 2002 agency match of \$30,940 will be made through expenditures already reflected in the agency budget.

Senate Subcommittee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.**

Bill Sec.

Analyst: Severn

Analysis Pg. No. 1409

Budget Page No. 91

Expenditure Summary	Agency Estimate FY 01	Governor's Recommendation FY 01	Subcommittee Adjustments
State Operations			
Special Revenue Funds	\$ 485,058	\$ 560,524	\$ 0
FTE Positions	4.0	4.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	4.0	4.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2001 of \$485,058 is the same as the approved budget (with the addition of \$14,055 of KSIP expenditures) and is an increase of \$40,187 (9.0 percent) over the actual FY 2000 expenditures. The agency's estimate included an increase of \$8,500 in contractual services for professional consulting fees. After it submitted its budget, the agency requested an additional \$75,000 to \$125,000 for professional consultant fees in order to respond timely to three major rate cases.

The Governor recommends expenditures of \$560,524, an increase of \$115,653 above the actual FY 2000 expenditures, and \$75,466 above the agency estimate. The Governor made a \$466 correction to salaries and wages for fringe benefits, and added \$75,000 for professional consulting fees. The Governor's recommendation includes \$257,287 for salaries and wages, \$299,312 for contractual services, \$2,425 for commodities, and \$1,500 for capital outlay.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Fee Fund Analysis

Because the Utility Regulatory Fee Fund is funded by quarterly assessments that may change in response to funding requirements, receipts will change to accommodate expenditures, so the balances shown below are less meaningful than for most agencies.

Resource Estimate	Actual FY 2000	Agency Estimate FY 2001	Gov. Rec. FY 2001	Subcomm. Rec. FY 2001
Beginning Balance	\$ 159,797	\$ 173,358	\$ 173,358	\$ 173,358
Projected Receipts	458,210	461,380	461,380	461,380
Total Available	<u>\$ 618,007</u>	<u>\$ 634,738</u>	<u>\$ 634,738</u>	<u>\$ 634,738</u>
Less: Expenditures	444,649	485,058	560,524	560,524
Ending Balance	<u><u>\$ 173,358</u></u>	<u><u>\$ 149,680</u></u>	<u><u>\$ 74,217</u></u>	<u><u>\$ 74,217</u></u>
 Ending Balance as a Percent of Expenditures	 39.0%	 30.9%	 13.2%	 13.2%

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not addressed this agency.

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board **Bill No. --** **Bill Sec. --**
Analyst: Severn **Analysis Pg. No. 1409** **Budget Page No. 91**

Expenditure Summary	Agency Estimate FY 01	Governor's Recommendation FY 01	Budget Committee Adjustments
State Operations			
Special Revenue Funds	\$ 485,058	\$ 560,524	\$ 0
FTE Positions	4.0	4.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	<u><u>4.0</u></u>	<u><u>4.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2001 of \$485,058 is the same as the approved budget (with the addition of \$14,055 of KSIP expenditures) and is an increase of \$40,187 (9.0 percent) over the actual FY 2000 expenditures. The agency's estimate included an increase of \$8,500 in contractual services for professional consulting fees. After it submitted its budget, the agency requested an additional \$75,000 to \$125,000 for professional consultant fees in order to respond timely to three major rate cases.

The Governor recommends expenditures of \$560,524, an increase of \$115,653 above the actual FY 2000 expenditures, and \$75,466 above the agency estimate. The Governor made a \$466 correction to salaries and wages for fringe benefits, and added \$75,000 for professional consulting fees. The Governor's recommendation includes \$257,287 for salaries and wages, \$299,312 for contractual services, \$2,425 for commodities, and \$1,500 for capital outlay.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following comment and exception:

1. The Budget Committee wishes to express its concern that the agency might not be able to expend the additional professional consulting fees within the current year. Should that occur, the Budget Committee would want the funds to be available for immediate expenditure in FY 2002, and would not want these unspent funds available for KSIP. Accordingly, the Budget Committee recommends that a no-limit fund be established for FY 2001 and FY 2002 for transfer of the \$75,000 of consulting fees, with a proviso that the fund will not be eligible for the KSIP program.

Fee Fund Analysis

Because the Utility Regulatory Fee Fund is funded by quarterly assessments that may change in response to funding requirements, receipts will change to accommodate to expenditures, so the balances shown below are less meaningful than for most agencies.

<u>Resource Estimate</u>	<u>Actual FY 2000</u>	<u>Agency Estimate FY 2001</u>	<u>Gov. Rec. FY 2001</u>	<u>Budget Comm. Rec. FY 2001</u>
Beginning Balance	\$ 159,797	\$ 173,358	\$ 173,358	\$ 173,358
Projected Receipts	458,210	461,380	461,380	461,380
Total Available	\$ 618,007	\$ 634,738	\$ 634,738	\$ 634,738
Less: Expenditures	444,649	485,058	560,524	560,524
Ending Balance	\$ 173,358	\$ 149,680	\$ 74,217	\$ 74,217
Ending Balance as a Percent of Expenditures	39.0%	30.9%	13.2%	13.2%

Senate Subcommittee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.**

Bill Sec.

Analyst: Severn

Analysis Pg. No. 1409

Budget Page No. 91

Expenditure Summary	Agency Request FY 02	Governor's Recommendation FY 02	Subcommittee Adjustments*
State Operations			
Special Revenue Funds	\$ 652,593	\$ 555,019	\$ (6,512)
FTE Positions	6.0	4.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	6.0	4.0	0.0

* The reduction is entirely for the Governor's recommended employee pay plan adjustment.

Agency Request/Governor's Recommendation

The agency's request for FY 2002 of \$652,593 is an increase of \$40,187 (9.0 percent) over the estimated FY 2001 expenditures.

The agency's request includes two enhancements. The first enhancement is for 2.0 additional FTE, a staff attorney and a secretary, with salaries and wages and associated start-up costs totaling \$107,064. The second enhancement is for \$50,000 in contractual services for professional consulting fees. The agency anticipated several major rate and merger cases within the year.

The Governor recommends expenditures of \$555,019, a decrease of \$5,505 (1.0 percent) below the FY 2001 recommendation. The Governor added \$65,000 for professional consulting fees. The Governor's recommendation includes \$261,919 for salaries and wages, \$289,155 for contractual services, \$2,445 for commodities, and \$1,500 for capital outlay.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following exception:

1. Delete \$6,512 for the Governor's recommended employee pay plan adjustment.

Fee Fund Analysis

Because the Utility Regulatory Fee Fund is funded by quarterly assessments that may change in response to funding requirements, receipts will change to accommodate to expenditures, the balances shown below are less meaningful than for most agencies.

<u>Resource Estimate</u>	<u>Agency Estimate FY 2001</u>	<u>Gov. Rec. FY 2001</u>	<u>Subcom. Rec. FY 2001</u>	<u>Agency Request FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Subcom. Rec. FY 2002</u>
Beginning Balance	\$ 173,358	\$ 173,358	\$ 173,358	\$ 149,680	\$ 74,217	\$ 74,217
Projected Receipts	461,380	461,380	461,380	671,500	514,436	514,436
Total Available	<u>\$ 634,738</u>	<u>\$ 634,738</u>	<u>\$ 634,738</u>	<u>\$ 821,180</u>	<u>\$ 588,653</u>	<u>\$ 588,653</u>
Less: Expenditures	485,058	560,524	560,524	652,593	555,019	548,507
Ending Balance	<u>\$ 149,680</u>	<u>\$ 74,217</u>	<u>\$ 74,217</u>	<u>\$ 168,587</u>	<u>\$ 33,634</u>	<u>\$ 40,146</u>
Ending Balance as a Percent of Expenditures	30.9%	13.2%	13.2%	25.8%	6.1%	7.3%

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not addressed this agency.

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board

Bill No. --

Bill Sec. --

Analyst: Severn

Analysis Pg. No. 1409

Budget Page No. 91

Expenditure Summary	Agency Request FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
State Operations			
Special Revenue Funds	\$ 652,593	\$ 555,019	\$ 0
FTE Positions	6.0	4.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	6.0	4.0	0.0

Agency Estimate/Governor's Recommendation

The agency's request for FY 2002 of \$652,593 is an increase of \$40,187 (9.0 percent) over the estimated FY 2001 expenditures.

The agency's request includes two enhancements. The first enhancement is for 2.0 additional FTE, a staff attorney and a secretary, with salaries and wages and associated start-up costs totaling \$107,064. The second enhancement is for \$50,000 in contractual services for professional consulting fees. The agency anticipated several major rate and merger cases within the year.

The Governor recommends expenditures of \$555,019, a decrease of \$5,505 (1.0 percent) below the FY 2001 recommendation. The Governor added \$65,000 for professional consulting fees. The Governor's recommendation includes \$261,919 for salaries and wages, \$289,155 for contractual services, \$2,445 for commodities, and \$1,500 for capital outlay.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following comments and exception:

1. The Budget Committee wishes to express its concern that the agency might not be able to expend the additional \$75,000 of professional consulting fees recommended for FY 2001 within that year. Should that occur, the Budget Committee would want the funds to be available for immediate expenditure in FY 2002, and would not want these unspent funds available for KSIP. Accordingly, the Budget Committee recommends that a no-limit fund be established for FY

2001 and FY 2002 for the \$75,000 of consulting fees, with a proviso that the fund will not be eligible for the KSIP program.

Fee Fund Analysis

Because the Utility Regulatory Fee Fund is funded by quarterly assessments that may change in response to funding requirements, receipts will change to accommodate to expenditures, so the balances shown below are less meaningful than for most agencies.

<u>Resource Estimate</u>	<u>Agency Estimate FY 2001</u>	<u>Gov. Rec. FY 2001</u>	<u>Budget Comm. Rec. FY 2001</u>	<u>Agency Request FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Budget Comm. Rec. FY 2002</u>
Beginning Balance	\$ 173,358	\$ 173,358	\$ 173,358	\$ 149,680	\$ 74,217	\$ 74,217
Projected Receipts	461,380	461,380	461,380	671,500	514,436	514,436
Total Available	<u>\$ 634,738</u>	<u>\$ 634,738</u>	<u>\$ 634,738</u>	<u>\$ 821,180</u>	<u>\$ 588,653</u>	<u>\$ 588,653</u>
Less: Expenditures	485,058	560,524	560,524	652,593	555,019	555,019
Ending Balance	<u>\$ 149,680</u>	<u>\$ 74,217</u>	<u>\$ 74,217</u>	<u>\$ 168,587</u>	<u>\$ 33,634</u>	<u>\$ 33,634</u>
Ending Balance as a Percent of Expenditures	30.9%	13.2%	13.2%	25.8%	6.1%	6.1%