

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 8, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Dean Newton- excused
Representative Joe McLeland- excused
Representative Larry Campbell- excused

Committee staff present:

Alan Conroy, Legislative Research
J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Michele Alishahi, Legislative Research
Julian Efird, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Duane Goossen, Director, Division of the Budget

Others attending:

See Attached List.

- Attachment 1 BEST Savings in the FY 2005 Budget
- Attachment 2 Transfers from Special Revenue Funds to the State General Fund (SGF) for the FY 2000 through FY 2005 prepared by Legislative Research Department
- Attachment 3 Budget Committee Report on **HB 2582**
- Attachment 4 Budget Committee Report on Department of Wildlife and Parks for FY 2004 and FY 2005

Chairman Neufeld recognized Duane Goossen, Director of the Division of the Budget, who presented a briefing of the Budget Efficiency Savings Team (BEST) reductions in the FY 2005 budget, targeted at the areas of information technology and purchasing, with a ten percent reduction in these areas in each agency's State General Fund (SGF) budget (Attachment 1). BEST is also looking into the areas of facilities management and personnel with recommendations to come at a later date. Mr. Goossen explained that the process is looking at ways to save money across state government.

The Committee voiced concern that fee funds are being swept to the SGF to comply with the BEST reductions, resulting in the agencies requesting an increase in fees to be charged. The Committee felt that if there are excess fees in an agency's fee funds, then perhaps the fees should be reduced or returned to the payee. Responding to a question from the Committee concerning the use of federal funds particularly in the Department of Wildlife and Parks, Mr. Goossen explained that federal funds can not be used to comply with the BEST ten percent reduction but felt this area will need to be monitored to assure that no federal funds are being targeted. Responding to a question from the Committee, Mr. Goossen indicated that the BEST reductions of approximately \$27 million are proposed by the Governor to be used to fund a three percent salary increase for state employees.

A list of Transfers from Special Revenue Funds to the State General Fund (SGF) for FY 2000 through FY 2005, prepared by Legislative Research Department as well as a list of funds that have been borrowed, was distributed to the Committee (Attachment 2).

Representative Schwartz, Chair of the Agriculture & Natural Resources Budget Committee, presented the Budget Committee report on **HB 2582** and moved for the adoption of the Budget Committee recommendation

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 8, 2004 in Room 514-S of the Capitol.

to pass **HB 2582** favorably as amended (Attachment 3). The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz noted that five counties, of the original proposed nine counties, and two cities have agreed to participate in the Horse Thief Reservoir Benefit District project with approximately 92 percent of the potential sales tax funding to be collected in these five counties.

It was noted that the balloon, provided by the Budget Committee, to **HB 2582** should include the section identification of "(f)", to be added by the Revisor of Statutes.

Representative Schwartz, Chair of the Agriculture & Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Wildlife and Parks for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 with adjustments (Attachment 4). The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz, Chair of the Agriculture & Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Wildlife and Parks for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 with adjustments (Attachment 4). The motion was seconded by Representative Osborne. Motion carried.

Representative Gatewood, member of the Agriculture & Natural Resources Budget Committee, explained that he chose not to sign the Budget Committee report on the Department of Wildlife and Parks because of his objection to Item No.1 of the FY 2005 report. The Committee noted that it is reported, since the Budget Committee report was finalized, that the Governor has removed the funding for the Circle K Ranch from the FY 2005 budget resulting in possible delay of the project. It was also noted that a Governor's Budget Amendment (GBA) affecting this project may be forthcoming.

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 9, 2004.



Melvin Neufeld, Chairman

HOUSE APPROPRIATIONS COMMITTEE

March 8, 2004

9:00 A.M.

NAME	REPRESENTING
Tawna Drybread	DOB
Vicki-Lynn Nessel	Budget
May Foster	Dept of Agriculture
Adrian J. Polansky	" " " "
Greg Foley	KDA
Carole Jordan	KDA
SID SHRIWASE	PWD
JAMES HEWES	Pawnee Valley Dist
Barb Oltjen	SAKW x Wolf River W.S.
Herb Graves	SAKW
Ron Allen	Pawnee W/S District
Jackie Aubert	SRS
Jackie Mountaint Paige	KCC
Ken RAHSE	Ks Dairy Assn.
Heather Grace	Dameron + Associates
JOHN DOUGHERTY	ESU
Mike Hupples	Ks. Govt. Consulting
Dick Koentz	KIDWP

TO: Members of the House Appropriations Committee
FROM: Duane Goossen, Director of the Division of Budget
DATE: March 8, 2004
SUBJECT: BEST Savings in the FY 2005 Budget

Beginning last summer, 4 cross-agency teams began meeting to discuss how services could be delivered more efficiently and money saved in the areas of IT, Purchasing, Facilities Management, and Personnel. The IT and Purchasing teams made the most rapid progress and concluded that opportunities existed to change practices and save money.

In order to set a target for savings during FY 2005, the Division of Budget identified 49 different applicable state government expenditure codes (list attached) and calculated the average spending by each agency. Over the last four years, spending across state government in these areas has averaged about \$270 million per year.

The Governor's FY 2005 budget recommendation, asks each agency to reduce spending in these areas by 10%. If past spending was being paid for out of the State General Fund, the agency's SGF appropriation is reduced by the amount of the expected savings. If the spending was being paid out of another fund, then a transfer of the expected savings from that fund to the SGF is proposed. Any spending paid for by federal funds was excluded from the calculation. (An agency by agency list of the reductions is attached.)

The reductions are to take place in FY 2005. Ideally, each agency will make the reductions in the identified expenditure areas. However, if that proves to be impossible, agencies have the flexibility to make the reductions in other areas instead.

This winter, the IT and Purchasing cross-agency teams have stepped up their activities in order to help agencies meet the target. The Purchasing team is reviewing all purchases in the listed object codes to identify ways to leverage the state's purchasing power. The IT team is working on initiatives that involve toll-free numbers, cell phones, PC purchases, and various IT contracts.

A recommendation like this certainly has precedent in previous budgets. A list of examples from previous years is attached. In addition to the examples listed on the attached sheet, numerous other balance transfers have also occurred in these fiscal years in order to move balances from special revenue funds t

HOUSE APPROPRIATIONS

DATE 3-08-2004
ATTACHMENT 1

Expenditure Object Codes Included in BEST Savings Plan

<u>3 Digit Obj Code</u>	<u>Object Title</u>
202	COMMERCIAL LOCAL COMMUNICATION
203	COMMERCIAL LONG DISTANCE SERVICE
204	OTHER COMMERCIAL COMMUNICATION
209	OTHER COMMUNICATION
224	ADVERTISING
229	OTHER VENDOR PRINTING AND BINDING
231	REPROGRAPHIC EQUIPMENT RENTAL
233	EQUIPMENT RENTAL
236	INFORMATION PROCESSING EQUIPMENT
237	INFORMATION PROCESSING SOFTWARE
242	REPAIR AND SERVICE - OTHER
243	REPAIR AND SERVICE - MACHINERY
244	REPAIR AND SERVICE - BUILDINGS
247	INFORMATION PROCESSING EQUIPMENT
248	INFORMATION PROCESSING EQPT SOFTWARE
249	REPAIR AND SERVICE - NOT OTHER
263	COMPUTER PROG AND DATA PROCESS
300	CLOTHING
340	MAINTENANCE CONSTRUCTION MATERIALS
341	MATERIALS AND SUPPLIES FOR BUILDINGS
349	OTHER EQUIPMENT PARTS
350	MOTOR VEHICLE PARTS
359	OTHER PARTS
369	OTHER PROFESSIONAL & SCIENTIFIC
370	STATIONERY
371	STATIONERY AND OFFICE SUPPLIES
372	DATA PROCESSING SUPPLIES
373	TELECOMMUNICATIONS TERMINATION
392	HOUSEHOLD
395	SMALL TOOLS
397	MANUFACTURING AND PRINTING SUPPLIES
399	OTHER SUPPLIES
401	AGRICULTURAL EQUIPMENT AND MACHINERY
402	HOUSEHOLD
403	OFFICE FURNITURE
404	PROFESSIONAL AND SCIENTIFIC EQUIPMENT
407	ROAD AND HIGHWAY MACHINERY AND EQUIPMENT
408	SHOP AND PLANT MAINTENANCE EQUIPMENT
409	OTHER EQUIPMENT
412	REPROGRAPHIC EQUIPMENT
413	MICROCOMPUTER SYSTEMS AND SUPPLIES
416	INFORMATION PROCESSING EQUIPMENT
418	COMPUTER
461	TELECOMMUNICATIONS TERMINATION
462	TELECOMMUNICATIONS SWITCHING
463	TELECOMMUNICATIONS TRANSMISSION
464	RADIO (PORTABLE) EQUIPMENT
465	RADIO (FIXED) EQUIPMENT
466	DATA COMMUNICATIONS EQUIPMENT

Administrative Efficiencies

Agency	State General Fund	All Other Funds	All Funds
Department of Administration	185,962	2,986,282	3,172,244
Kansas Corporation Commission	--	258,686	258,686
Citizens' Utility Ratepayer Board	--	1,700	1,700
Kansas Human Rights Commission	4,624	46	4,670
Board of Indigents' Defense Services	36,034	--	36,034
Health Care Stabilization	--	3,035	3,035
Kansas Public Employees Retirement System	--	71,134	71,134
Department of Commerce	--	140,228	140,228
Kansas Technology Enterprise Corporation	--	18,634	18,634
Kansas, Inc.	--	2,453	2,453
Kansas Lottery	--	668,277	668,277
Kansas Racing & Gaming Commission	--	23,342	23,342
Department of Revenue	90,245	888,829	979,074
Board of Tax Appeals	274	7,414	7,688
Abstracters' Board of Examiners	--	41	41
Board of Accountancy	--	841	841
Banking Department	--	17,371	17,371
Board of Barbering	--	584	584
Behavioral Sciences Regulatory Board	--	2,035	2,035
Board of Cosmetology	--	4,347	4,347
Department of Credit Unions	--	1,038	1,038
Kansas Dental Board	--	2,575	2,575
Governmental Ethics Commission	1,811	--	1,811
Board of Healing Arts	--	11,079	11,079
Hearing Aid Board of Examiners	--	77	77
Board of Mortuary Arts	--	942	942
Board of Nursing	--	15,966	15,966
Board of Examiners in Optometry	--	162	162
Board of Pharmacy	--	7,542	7,542
Real Estate Appraisal Board	--	1,832	1,832
Kansas Real Estate Commission	--	8,757	8,757
Office of the Securities Commissioner	--	11,455	11,455
Board of Technical Professions	--	7,226	7,226
Board of Veterinary Examiners	--	3,942	3,942
Office of the Governor	9,022	--	9,022
Office of the Lieutenant Governor	552	--	552
Attorney General	6,773	17,360	24,133
Insurance Department	--	68,388	68,388
Secretary of State	--	47,920	47,920
State Treasurer	--	27,647	27,647

Administrative Efficiencies

Agency	State General Fund	All Other Funds	All Funds
Judicial Council	--	1,356	1,356
Department of Social & Rehabilitation Services	525,818	114,121	639,939
Kansas Neurological Institute	154,450	7,816	162,266
Larned State Hospital	96,938	34,324	131,262
Osawatomie State Hospital	118,825	818	119,643
Parsons State Hospital & Training Center	85,788	65,779	151,567
Rainbow Mental Health Facility	28,253	--	28,253
Department on Aging	30,223	325	30,548
Department of Health & Environment--Health	70,775	51,518	122,293
Department of Human Resources	6,575	142,747	149,322
Commission on Veterans Affairs	32,314	62,769	95,083
Kansas Guardianship Program	5,417	--	5,417
Department of Education	55,369	34,249	89,618
School for the Blind	29,673	13,322	42,995
School for the Deaf	82,575	25,275	107,850
Board of Regents	2,961	26,177	29,138
Emporia State University	186,749	389,690	576,439
Fort Hays State University	--	567,588	567,588
Kansas State University--Main Campus	692,125	2,375,889	3,068,014
Kansas State University--ESARP	156,756	521,872	678,628
Kansas State University--Vet Med	5,256	488,023	493,279
University of Kansas	615,171	2,632,685	3,247,856
Pittsburg State University	67,772	458,044	525,816
University of Kansas Medical Center	535,626	1,374,888	1,910,514
Wichita State University	487,810	1,200,473	1,688,283
Kansas Arts Commission	1,006	92	1,098
Historical Society	31,353	24,465	55,818
State Library	27,153	1,564	28,717
Department of Corrections	76,776	--	76,776
El Dorado Correctional Facility	159,844	--	159,844
Ellsworth Correctional Facility	71,407	--	71,407
Hutchinson Correctional Facility	227,461	--	227,461
Lansing Correctional Facility	268,054	--	268,054
Larned Correctional Mental Health Facility	51,884	--	51,884
Norton Correctional Facility	91,480	--	91,480
Topeka Correctional Facility	151,229	--	151,229
Winfield Correctional Facility	90,442	--	90,442
Juvenile Justice Authority	74,419	--	74,419
Atchison Juvenile Correctional Facility	23,570	116	23,686
Beloit Juvenile Correctional Facility	34,534	46	34,580

Administrative Efficiencies

Agency	State General Fund	All Other Funds	All Funds
Larned Juvenile Correctional Facility	11,196	--	11,196
Topeka Juvenile Correctional Facility	94,262	--	94,262
Adjutant General	433,412	59,105	492,517
Emergency Medical Services Board	--	5,640	5,640
State Fire Marshal	--	36,727	36,727
Highway Patrol	--	460,607	460,607
Kansas Bureau of Investigation	135,571	88,782	224,353
Kansas Parole Board	246	--	246
Sentencing Commission	1,589	--	1,589
Department of Agriculture	10,174	47,275	57,449
Animal Health Department	520	4,788	5,308
State Conservation Commission	6	3,094	3,100
Department of Health & Environment--Environment	25,049	221,741	246,790
Kansas State Fair	--	53,046	53,046
Kansas Water Office	339	47,523	47,862
Department of Wildlife & Parks	31,250	517,537	548,787
Kansas Department of Transportation	--	2,645,317	2,645,317
Total	\$ 6,532,742	\$ 20,136,400	\$ 26,669,142

Savings Captured from Special Revenue Funds and Transferred to the SGF

In all of the examples below, expenditure savings were identified across state government. If the savings occurred in a special revenue fund, the savings were transferred to the SGF. These transfers affected every state agency and a wide variety of special revenue funds.

In addition, numerous other balance transfers occurred in these fiscal years to simply move balances from special revenue funds to the SGF.

FY 2002

KPERS Death & Disability Fund	1,065,538
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FY 2003

KPERS Death & Disability Fund	965,770
Motor Vehicles	3,621,427

FY 2004

KPERS Death & Disability Fund	3,386,000
KANS-A-N Rate Savings	471,780
No More Commuting in State Vehicles Savings	363,668
Uncommitted KSIP Balances Swept	699,769
5.9 % Expenditure Reductions in non-SGF Agencies	3,406,406

**TRANSFERS FROM SPECIAL REVENUE FUNDS TO THE STATE GENERAL FUND
FY 2000-FY 2005**

<u>Year</u>	<u>Agency/Fund</u>	<u>Amount</u>
FY 2000	Kansas Corporation Commission - Well Plugging Fund	\$ 400,000
	Commission on Veterans Affairs	545,000
	Department of Health and Environment - Air and Radiation	235,000
	University of Kansas - Special Capital Improvements Fund	52,447
	Total - FY 2000	\$ 1,232,447
FY 2001	Department of Human Resources - Workers Compensation Fee Fund	\$ 500,000
	Department of Human Resources - Penalty and Interest Fund	700,000
	Animal Health Department	49,000
	Juvenile Justice Authority - Juvenile Detention Facilities Fund	1,000,000
	Department of Health and Environment - Air and Radiation	210,000
	Department of Health and Environment - Trauma Fund	168,750
Total - FY 2001	\$ 2,627,750	
FY 2002	Juvenile Justice Authority - Juvenile Detention Facilities Fund	\$ 1,000,000
	Department of Administration - Workers Compensation Fund	1,250,000
	Department of Revenue - Electronic Databases Fee Fund	1,117,263
	Department of Revenue - Cigarette and Tobacco Registration Fund	208,555
	Department of Revenue - Central Stores Fund	50,000
	Department of Revenue - Automated Tax Systems Fund	451,302
	Department of Health and Environment - Waste Tire Management Fund	195,000
	Department of Health and Environment - Trauma Fund	200,000
	KPERS - Death and Disability Fund	1,065,538
	Board of Pharmacy Fee Fund	250,000
	Board of Nursing Fee Fund	200,000
	Bank Commissioner Fee Fund	500,000
	Board of Healing Arts Fee Fund	200,000
	Real Estate Commission Fee Fund	100,000
	Department of Human Resources - Special Employment Security Fund	159,140
Department of Transportation - State Highway Fund	94,608,648	
Total - FY 2002	\$ 101,555,446	
FY 2003	Department of Human Resources - Workers Compensation Fee Fund	\$ 500,000
	Department on Aging - Long Term Care Loan and Grant Fund	500,000
	Department of Social and Rehabilitation Services - SRS Fee Fund	2,000,000
	Children's Initiatives Fund	3,858,868
	Department of Education - Certificate Fee Fund	100,000
	KPERS - Death and Disability Fund	965,770
	Department of Administration - Workers Compensation Fee Fund	1,000,000
	Department of Administration - Property Contingency Fund	36,291
	Department of Administration - Equipment Lease Fund	112,500
	Department of Administration - Flexible Spending Fund	150,000
	Fire Marshal Fee Fund	1,700,000
	Highway Patrol - Motor Vehicle Fund	600,000
	Juvenile Justice Authority - Juvenile Detention Facilities Fund	500,000
	Department of Agriculture - Feeding Stuffs Fee Fund	200,000
Department of Agriculture - Petroleum Inspection Fee Fund	200,000	

Year	Agency/Fund	Amount
	Department of Wildlife and Parks - State Agriculture Production Fund	200,000
	Department of Transportation - Coordinated Public Transportation Fund	500,000
	Department of Transportation - KSIP Fund transfer	260,896
	Economic Development Initiatives Fund balance transfer	2,301,112
	Kansas Endowment for Youth Balance Transfer	14,400,000
	Senior Services Trust Fund transfers	8,300,000
	Long Term Care Loan and Grant Fund	7,400,000
	Insurance Department - Workers Compensation Fund	4,000,000
	KPERS - Death and Disability Fund	858,000
	Department of Health and Environment - Waste Tire Fund	1,000,000
	Department of Health and Environment - Underground Petroleum St. Tank.	10,000,000
	Total - FY 2003	\$ 61,643,437
FY 2004	Biennial and Fee Funded Agencies 5.9 Percent Reduction:	
	Abstracters Fee Fund	\$ 1,220
	Board of Accountancy Fee Fund	14,378
	Bank Commissioner Fee Fund	358,775
	Board of Barbering Fee Fund	6,784
	Behavioral Sciences Regulatory Board Fee Fund	30,857
	Board of Healing Arts Fee Fund	128,208
	Board of Cosmetology Fee Fund	40,526
	Department of Credit Unions Fee Fund	51,492
	Kansas Dental Board Fee Fund	19,846
	Board of Mortuary Arts Fee Fund	13,384
	Hearing Aid Examiners Fee Fund	1,173
	Board of Nursing Fee Fund	83,202
	Board of Optometry Fee Fund	6,544
	Board of Pharmacy Fee Fund	36,505
	Real Estate Appraisal Board	13,884
	Real Estate Commission	44,587
	Securities Commissioner	128,461
	Technical Professions	32,149
	Veterinary Examiners	14,999
	Governmental Ethics Commission	6,910
	Kansas Corporation Commission	948,821
	Citizens Utility Ratepayer Board	36,400
	Kansas Lottery	542,800
	Insurance Department	613,757
	Emergency Medical Services Board	51,269
	State Fire Marshal	179,475
	Kansas Endowment for Youth Balance Transfer	9,875,000
	KPERS - Death and Disability Fund	3,386,000
	Insurance Department - Service Regulation Fund	850,000
	Department of Administration - Motor Pool Operating Fund	3,254,000
	Department of Administration - Motor Pool Depreciation Fund	1,818,000
	Department of Health and Environment - Waste Tire Management Fund	304,000
	Department of Health and Environment - Subsurface Hydrocarbon Fund	152,000
	Department of Health and Environment - Solid Waste Management Fund	424,000
	Juvenile Justice Authority - Community Planning Fund	25,000
	Highway Patrol - Motor Vehicle Fund	500,000
	Total - FY 2004	\$ 23,994,406

Year	Agency/Fund	Amount
FY 2005 (Gov. Rec.)	BEST Savings	\$ 20,136,400
	Fee Fund Transfers - Biennial Budget Agencies	6,422,848
	Kansas Lottery - Lottery Operating Fund	500,000
	Department of Health and Environment - Waste Tire Management Fund	311,000
	Department of Health and Environment - Subsurface Hydrocarbon Fund	151,000
	Department of Health and Environment - Solid Waste Management Fund	317,000
	Juvenile Justice Authority - Juvenile Detention Facilities Fund	300,000
	Emergency Medical Services Board - Operating Fund	1,000,000
	State Fire Marshal - Fire Marshal Fee Fund	500,000
	Highway Patrol - Motor Vehicle Fund	1,000,000
	Total - FY 2005	\$ 30,638,248
TOTAL - FY 2000-FY 2005		\$ 221,691,734

Fund Repayments from the State General Fund
FY 2007 - FY 2010

Agency	Fund	Amount	2003 Session Bill No.
Dept. of Revenue	State Highway Fund	\$1,603,590	SB 6
Insurance Department	Insurance Department Workers Compensation Fund	4,000,000	HB 2026
KPERS	Various Fee Funds	858,000	HB 2026
Department of Health and Environment	Waste Tire Management Fund	1,000,000	HB 2026
Department of Health and Environment	Underground Petroleum Storage Tank Release Trust Fund (demand transfers)	10,000,000	HB 2026
Kansas Department of Transportation	State Highway Fund	<u>94,608,648</u>	HB 2026
Total		\$112,070,238	
Yearly repayment		\$28,017,560	

Kansas Legislative Research Department

February 27, 2004


2-4

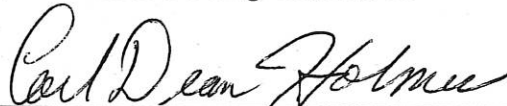
HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE
FY 2004 AND FY 2005

HB 2582

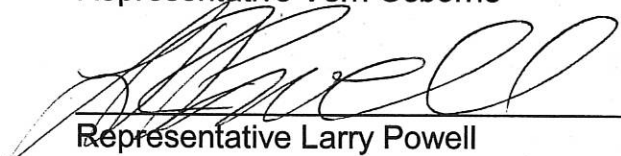

Representative Sharon Schwartz, Chair


Representative Vaughn Flora


Representative Doug Gatewood


Representative Carl Holmes


Representative Vern Osborne


Representative Larry Powell


Representative Tom Thull

HOUSE APPROPRIATIONS

DATE 3-08-2004
ATTACHMENT 3

**House Agriculture and Natural Resources Budget Committee
Recommendation on HB 2582**

HB 2582 creates the HorseThief Reservoir Benefit District. The District would consist of Finney, Ford, Gray, Hodgeman, and Ness counties. The bill creates a nine-member governing board including:

1. Five members appointed—one each from the county commissioners of each member county;
2. Two members appointed—one each by the governing body of the cities of Dodge City and Garden City;
3. One member appointed by the Pawnee Watershed District, who serves as the board chairperson; and
4. The Secretary of Wildlife and Parks or the secretary's designee.

The board would have the authority to impose a districtwide sales tax, issue bonds to finance the project, and manage recreational facilities within the district. The sales tax could be imposed in increments of 0.05 percent, not to exceed 0.25 percent and could be used to pay the costs of the project, pay the costs to manage and operate the project, and make debt service payments on bonds related to the project. If the sales tax is not imposed by December 31, 2008, the act will expire.

The Budget Committee amended the bill to include that the fee schedule may be set at a reduced rate for residents of counties which are part of the district.

A representative from Pawnee Watershed Joint District No. 81 appeared in support of the bill.

The Budget Committee recommends the bill as amended favorably for passage.

1 the cities of Dodge City and Garden City;

2 (3) one member appointed by the Pawnee watershed district; and

3 (4) the secretary of wildlife and parks or the secretary's designee.

4 (b) The member appointed by the Pawnee watershed district shall
5 serve as chairperson of the governing board.

6 (c) The board shall meet upon call of the chairperson as necessary to
7 carry out its duties under this act.

8 (d) The initial appointment for the members appointed by Finney,
9 Gray and Ness counties and Dodge City shall be for a term of one year.

10 The initial appointment for the members appointed by Ford and Hod-
11 geman counties, Garden City and the Pawnee watershed district shall be

12 for a term of two years. For each subsequent appointment, each ap-
13 pointed member of the board shall be appointed for a term of two years.

14 Each member shall continue in such position until a successor is ap-
15 pointed and qualified. Members shall be eligible for reappointment.

16 Whenever a vacancy occurs in the membership of the board, a successor
17 shall be selected to fill such vacancy in the same manner as and for the
18 unexpired term of the member such person is succeeding.

19 (e) The governing body shall have the following powers and duties:

20 (1) Authority to impose a district wide sales tax pursuant to the provisions
21 of this act;

22 (2) authority to issue bonds pursuant to the provisions of this act; and

23 (3) authority to manage recreational facilities within the district.

24 Sec. 5. (a) In addition to and notwithstanding any limitations on the
25 aggregate amount of the retailers' sales tax contained in K.S.A. 12-187

26 through 12-197, and amendments thereto, the district may impose a hor-
27 sethief reservoir benefit district sales tax on the selling of tangible per-

28 sonal property at retail or rendering or furnishing services taxable pur-
29 suant to the provisions of the Kansas retailers' sales tax act, and

30 amendments thereto, within the district for purposes of financing the
31 project in increments of .05% and in an aggregate amount not to exceed

32 .25% and pledge the revenue received therefrom to pay the costs of the
33 project, the costs to manage and operate the project and to make debt

34 service payments on any bonds issued to finance the project. Any hor-
35 sethief reservoir benefit district sales tax imposed pursuant to this section

36 shall expire no later than the maturity date of the bonds issued to finance
37 such project or refunding bonds issued therefor.

38 (b) Prior to the imposition of the horsethief reservoir benefit district
39 sales tax, the governing board shall adopt a resolution stating its intention

40 to levy a horsethief reservoir benefit district sales tax for the purpose of
41 financing the project and continued management and operational ex-

42 penses thereof as proposed by this act. The governing board shall give
43 notice of the public hearing on the imposition of such horsethief reservoir

The governing body shall provide that any fee schedule imposed for users of recreational facilities within the district may be set at a reduced rate or schedule for residents of any county which is a part of the district.

House Budget Committee on Agricultural and Natural Resources

Department of Wildlife and Parks

FY 2004 and FY 2005



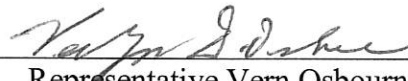
Representative Sharon Schwartz, Chairperson

Representative Vaughn Flora

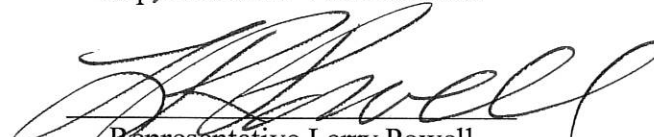
Representative Doug Gatewood



Representative Carl Holmes



Representative Vern Osbourn



Representative Larry Powell

Representative Tom Thull

HOUSE APPROPRIATIONS

DATE 3-08-2004
ATTACHMENT 4

Senate Subcommittee Report

Agency: Kansas Department of Wildlife and Parks

Bill No. 536

Bill Sec. --

Analyst: Efirid

Analysis Pg. No. 81

Budget Page No. 451

Expenditure	Agency Est. FY 04	Governor Rec. FY 04	Subcommittee Recommendation
Operating Expenditures:			
State General Fund	\$ 3,168,729	\$ 3,168,729	\$ 0
Other Funds	33,530,470	33,530,470	0
Subtotal – Operating	<u>\$ 36,699,199</u>	<u>\$ 36,699,199</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 34,172	\$ 1,534,872	\$ 0
Other Funds	15,133,261	15,213,261	0
Subtotal – Cap. Impr.	<u>\$ 15,167,433</u>	<u>\$ 16,748,133</u>	<u>\$ 0</u>
TOTAL	<u>\$ 51,866,632</u>	<u>\$ 53,447,332</u>	<u>\$ 0</u>
FTE Positions			
Reportable Budget	406.5	406.5	0.0

Agency Estimate/Governor's Recommendation

The **agency's** revised operating budget includes reductions totaling \$30,886 in the approved amounts for three funds due to a delay implementing the salary adjustments. Other adjustments in the operating budget to the approved expenditures bring the total net reduction to \$158,590. The capital improvements budget is revised to account for an increase of \$8,612,723 due to carryover funds from prior fiscal years for numerous projects approved previously. Funding for a Cheyenne Bottoms tourist information center is estimated at \$1,999,264 in FY 2004, and appears in the revised budget. The project was discussed during the 2003 Legislature after being announced by the previous Governor at the end of that administration.

The **Governor** concurs with the agency's revised budget for operating expenditures and capital improvements, with two modifications in capital improvements. SGF financing of \$1,500,000 is recommended for a Tuttle Creek State Park project and \$80,000 is recommended for completing a shooting range project at the Cheney Wildlife Area. Both projects were requested by the agency after the budget submission. In addition, the Governor recommends repaying \$68,323 to the State Agricultural Production Fund for an amount of money in excess of that allowable after federal review of a transfer to the SGF for administrative expenses in FY 2003. Repayment is recommended from the Wildlife and Parks Nonrestricted Fund.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations in FY 2004.

Senate Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

House Budget Committee Report

Agency: Kansas Department of Wildlife and Parks **Bill No.** 2898/2899 **Bill Sec.** 23/51

Analyst: Efird **Analysis Pg. No.** 81 **Budget Page No.** 451

Expenditure	Agency Est. FY 04	Governor Rec. FY 04	House Budget Committee Recommendation
Operating Expenditures:			
State General Fund	\$ 3,168,729	\$ 3,168,729	\$ 0
Other Funds	33,530,470	33,530,470	0
Subtotal – Operating	<u>\$ 36,699,199</u>	<u>\$ 36,699,199</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 34,172	\$ 1,534,872	\$ (1,500,000)
Other Funds	15,133,261	15,213,261	1,500,000
Subtotal – Cap. Impr.	<u>\$ 15,167,433</u>	<u>\$ 16,748,133</u>	<u>\$ 0</u>
TOTAL	<u>\$ 51,866,632</u>	<u>\$ 53,447,332</u>	<u>\$ 0</u>

FTE Positions			
Reportable Budget	406.5	406.5	0.0

Agency Estimate/Governor's Recommendation

The **agency's** revised operating budget includes reductions totaling \$30,886 in the approved amounts for three funds due to a delay implementing the salary adjustments. Other adjustments in the operating budget to the approved expenditures bring the total net reduction to \$158,590. The capital improvements budget is revised to account for an increase of \$8,612,723 due to carryover funds from prior fiscal years for numerous projects approved previously. Funding for a Cheyenne Bottoms tourist information center is estimated at \$1,999,264 in FY 2004, and appears in the revised budget. The project was discussed during the 2003 Legislature after being announced by the previous Governor at the end of that administration.

The **Governor** concurs with the agency's revised budget for operating expenditures and capital improvements, with two modifications in capital improvements. SGF financing of \$1,500,000 is recommended for a Tuttle Creek State Park project and \$80,000 is recommended for completing a shooting range project at the Cheney Wildlife Area. Both projects were requested by the agency after the budget submission. In addition, the Governor recommends repaying \$68,323 to the State Agricultural Production Fund for an amount of money in excess of that allowable after federal review of a transfer to the SGF for administrative expenses in FY 2003. Repayment is recommended from the Wildlife and Parks Nonrestricted Fund.

House Budget Committee Recommendation

The Committee concurs with the Governor's FY 2004 recommendation, with the following exceptions:

1. Delete \$1,500,000 from the State General Fund for the Tuttle Creek campground relocation loan, and instead authorized the agency to borrow up to \$1,500,000 from the Pooled Money Investment Board (PMIB) for the project. The Subcommittee understands that the federal government will reimburse the costs up to the \$1.5 million amount for work after it is billed, but will not provide any funding in advance. The Subcommittee anticipates that the interest of up to \$60,000 may be incurred for the PMIB loan and that the agency will repay the principal with federal funds and the interest will be paid out of agency funds.

Senate Subcommittee Report

Agency: Kansas Department of Wildlife and Parks **Bill No.** 537/538 **Bill Sec.** 23/65

Analyst: Efird **Analysis Pg. No.** 81 **Budget Page No.** 451

Expenditure	Agency Req. FY 05	Governor Rec. FY 05	Subcommittee Recommendations*
Operating Expenditures:			
State General Fund	\$ 3,351,507	\$ 2,732,319	\$ (37,062)
Other Funds	35,431,864	35,191,373	(523,425)
Subtotal – Operating	\$ 38,783,371	\$ 37,923,692	\$ (560,487)
Capital Improvements:			
State General Fund	\$ 100,000	\$ 0	0
Other Funds	6,647,314	5,284,491	0
Subtotal – Cap. Impr.	\$ 6,747,314	\$ 5,284,491	\$ 0
TOTAL	\$ 45,530,685	\$ 43,208,183	\$ (560,487)

FTE Positions			
Reportable Budget	406.5	406.5	0.0

* The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests a 5.7 percent increase in operating expenditures, with a 5.8 percent increase from the SGF financing. The **Governor** recommends a net increase of 3.3 percent in operating expenditures, with a reduction of 13.8 percent in SGF financing. A shift of \$500,000 from SGF financing to the Parks Fee Fund is recommended by the **Governor**. No change in staffing level is requested by the agency or recommended by the **Governor**.

The **agency** requests two enhancements in the FY 2005 operating budget, including \$1,253,573 for position reclassifications and \$100,000 for the first year of a 10-year project to purchase water rights in the Sebelius reservoir. The **Governor** concurs only with the request to reclassify positions and adds \$632,200 for partial funding.

The **agency** includes four enhancements in its capital improvements request that totals \$6,747,314, including enhancement funding of \$440,491 for the first-year cost of acquiring the Circle K Ranch, \$200,000 in funds for unidentified land acquisitions, \$100,000 for developing a new state park in Topeka, and \$1,015,703 for completing the Prairie Spirit Trail. The **Governor** concurs with most of the agency's base request, except \$100,000 for river access and \$137,800 for parks major maintenance are not recommended. The **Governor** recommends two enhancements in the capital improvements budget: the Circle K Ranch acquisition and development of a new state park in Topeka.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$0 State General Fund. This agency has no State General Fund financing.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 2005 recommendations, with the following adjustments and notations:

1. Delete salary plan funding of \$560,487, including \$37,062 SGF, recommended by the Governor at a 3.0 percent base salary adjustment for all state employees and consider the pay plan in a separate bill.
2. Note a Governor's Budget Amendment will be requested by the Secretary to purchase water rights in the Sebelius reservoir for a two-year period in order to maintain the pool at a level conducive to recreation. Estimated cost is \$120,000 per year, with one-third of total funding contributed from each of three funds: Parks Fee Fund, Boating Fee Fund, and Wildlife Fee Fund since each area benefits from higher water levels.
3. Shift from capital improvement to state aid the accounting for \$137,800 in federal funds to reflect a reduction from the Parks Fee Fund of \$137,800 for matching federal Land and Water Conservation Fund money for major parks maintenance. The shift results in the federal funds of an equal amount having to be distributed to local units if not used for state park projects.
4. Note the Secretary cited as an example the repayment of \$68,323 to the State Agricultural Production Fund in FY 2004 due to a transfer in FY 2003 that was in excess of the amount allowable under federal indirect cost accounting. BEST transfers of \$332,692 in FY 2005 recommended from the Wildlife Fee Fund may include an amount yet to be determined that would result in the agency having to repay from other non-federal funds any disallowed amount. After the federal government sets the indirect administrative cost factor, any amount of money in excess of that allowable after federal review of a transfer to the SGF for administrative expenses would need to be repaid to avoid the issue of diversion.
5. Note the Circle K ranch acquisition proposal is based on an estimated value of \$4.4 million before the final appraisals are available and that the Subcommittee is supporting this purchase as the Secretary attempts to balance the needs relative to water with rural development, agriculture, and public recreation in the western part of the state.
6. Add a proviso that will apply in FY 2005 to river access projects along the Kansas River:

During the fiscal year ending June 30, 2005, no expenditures shall be made from any moneys appropriated for the Department of Wildlife and Parks from the State General Fund or any special revenue fund for construction of any new river access on the Kansas River, unless (A) the Secretary of Wildlife and Parks has obtained the prior written permission for the proposed river access from each owner of each parcel of real property on the river which is immediately adjacent to the real property upon which the proposed river access project is to be constructed, except that in the case of property within a municipality the Secretary shall obtain the written permission of the governing body, and (B) if a parcel of any such immediately adjacent real property is being leased, then the Secretary also has obtained the prior written permission for the proposed new river access project from the lessor of such immediately adjacent real property, except that in

The **agency** includes four enhancements in its capital improvements request that totals \$6,747,314, including enhancement funding of \$440,491 for the first-year cost of acquiring the Circle K Ranch, \$200,000 in funds for unidentified land acquisitions, \$100,000 for developing a new state park in Topeka, and \$1,015,703 for completing the Prairie Spirit Trail. The **Governor** concurs with most of the agency's base request, except \$100,000 for river access and \$137,800 for parks major maintenance are not recommended. The **Governor** recommends two enhancements in the capital improvements budget: the Circle K Ranch acquisition and development of a new state park in Topeka.

House Budget Committee Recommendation

The Committee concurs with the Governor's FY 2005 recommendation, and makes the following additional adjustments and recommendations:

1. Delete \$440,491 of State Water Plan Fund financing for the first year repayment of a loan to purchase the Circle K ranch. The Subcommittee notes that the appraisal of the land has not been completed, no purchase has taken place, and no authorizing legislation has passed to permit use of State Water Plan Fund financing to repay bonds. HB 2578 and SB 539 would expand the purposes for which bonds paid from the State Water Plan Fund can be issued, including capital improvements and land acquisitions, such as the Circle K ranch. Neither bill has passed the first chamber.
2. Add a proviso that will apply in FY 2005 to river access projects along the Kansas River:

During the fiscal year ending June 30, 2005, no expenditures shall be made from any moneys appropriated for the Department of Wildlife and Parks from the State General Fund or any special revenue fund for construction of any new river access on the Kansas River, unless (A) the Secretary of Wildlife and Parks has obtained the prior written permission for the proposed river access from each owner of each parcel of real property on the river which is immediately adjacent to the real property upon which the proposed river access project is to be constructed, except that in the case of property within a municipality the Secretary shall obtain the written permission of the governing body, and (B) if a parcel of any such immediately adjacent real property is being leased, then the Secretary also has obtained the prior written permission for the proposed new river access project from the lessor of such immediately adjacent real property, except that in the case of property within a municipality the Secretary shall obtain the written permission of the governing body.

3. Note that three Governor's Budget Amendments will be requested by the Secretary and may be reviewed at Omnibus. (A) One item involves the purchase water rights in the Sebelius reservoir for a two-year period in order to maintain the pool at a level conducive to recreation. Estimated cost is \$120,000 per year, with one-third of total funding contributed from each of three funds: Parks Fee Fund, Boating Fee Fund, and Wildlife Fee Fund since each area benefits from higher water levels. (B) Another item involves higher than anticipated costs for the replacement of a water line supplying Milford Fish Hatchery. The Corps of Engineers revised the total cost, including the state's share, and when new figures are finalized, an amendment will be sought. (C) A third item involves

additional federal funds that may become available for FY 2005. In the first case, \$50,000 in federal Coast Guard funding for boating safety will be received. In the second case, an additional \$80,000 in federal aid for hunting education has been identified.

4. Request the agency to submit for Omnibus review a five-year plan of improvements and expenditures for the proposed new state park in Topeka.
5. Express concern about the erosion of ending balances in the Parks Fee Fund and the need to raise fees for the third time in three years in order to provide adequate cash on hand. The Subcommittee notes the Governor recommends shifting \$500,000 of expenditures from State General Fund financing to the Parks Fee Fund in FY 2005, and the Subcommittee reluctantly agrees with the shift. The fee fund cash flow is presented in the following table.

<u>Parks Fee Fund Resource Estimate</u>	<u>Actual FY 2003</u>	<u>Agency Estimate FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>Agency Request FY 2005</u>	<u>Gov. Rec. FY 2005</u>
Beginning Balance	\$ 1,187,603	\$ 1,496,322	\$ 1,496,322	\$ 924,590	\$ 924,590
Net Receipts	5,575,727	5,732,504	5,732,504	6,410,750	6,243,071
Total Funds Available	<u>\$ 6,763,330</u>	<u>\$ 7,228,829</u>	<u>\$ 7,228,829</u>	<u>\$ 7,335,340</u>	<u>\$ 7,167,661</u>
Less: Expenditures	5,267,008	6,304,236	6,304,236	6,771,506	6,826,480
Ending Balance	<u>\$ 1,496,322</u>	<u>\$ 924,590</u>	<u>\$ 924,590</u>	<u>\$ 563,834</u>	<u>\$ 341,181</u>
Ending Balance as Percent of Expenditures	28.4%	14.7%	14.7%	8.3%	5.0%