

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:35 a.m. on January 14, 2004, in Room 123-S of the Capitol.

All members were present except:  
Senator David Kerr- excused

### Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Amy Vanhouse, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Jill Wolters, Senior Assistant, Revisor of Statutes  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

### Conferees appearing before the committee:

Mike Hayden, Secretary, Kansas Department of Wildlife and Parks

### Others attending:

See Attached List.

## Bill Introductions

Senator Adkins moved, with a second by Senator Jordan, to introduce the Governor's budget bills for FY 2004 and FY 2005. Motion carried on a voice vote.

Chairman Morris called the Committee's attention to discussion of the following bills from the 2003 Legislative Session for consideration to remove them from the Senate Calendar:

**SB 30**--Appropriations for FY 2003, supplemental appropriations for various state agencies

**SB 62**--Appropriations for FY 2003, supplemental appropriations for various state agencies

**SB 90**--KPERs funding of unfunded obligations of certain benefits of employees of regents' institutions for prior service

**SB 230**--Lottery; retailers' certificates; lottery proceeds, transfers to state gaming revenues funds

**SB 262**--Transfer the Division of Accounts and Reports to the State Treasurer's Office

**SB 282**--Adult care home licensing and other functions transferred from department on health and environment to department on aging

Senator Adkins moved, with a second by Senator Schodorf, that **SB 30, SB 62, SB 90, SB 230, SB 262** and **SB 282** be not passed. Motion carried on a roll call vote.

Chairman Morris welcomed Mike Hayden, Secretary, Kansas Department of Wildlife and Parks, who presented an overview of natural resources issues. Secretary Hayden introduced members of the Governor's Sub-cabinet on Natural Resources that were present with him. He explained that the purpose in coming before the Committee is to talk about the current budget, the future and the challenges that face the state in regard to natural resources. Secretary Hayden mentioned that it is important to know that the Sub-cabinet on Natural Resources is not here competing and that all have agreed on the budget proposal that is before the Legislature. He referenced the State Water Plan Fund FY 2004-2005 Expenditures (Attachment 1) and noted that these

## CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on January 14, 2004, in Room 123-S of the Capitol.

recommendations are the consensus of the Sub-cabinet on Natural Resources and they were approved by the Governor as the Sub-cabinet had recommended. Secretary Hayden mentioned that some agencies, in some cases, had to take significant budget reductions, but they did that through a collaboration and consensus process and the Sub-cabinet stands by these numbers and they jointly support them.

The Secretary explained that it is important to remember that the State Water Plan Fund number that is presented today is about \$600,000 less than last year and the Sub-cabinet agrees with these numbers. He called the Committee's attention to the Kansas Corporation Commission Oil and Gas Well Plugging fund which is about to run out of money. Secretary Hayden mentioned that if that account is not bolstered soon, the well-plugging will have to be stopped in the state so \$367,000 is recommended for FY 2005.

In reference to the Circle K Ranch Debt Service, Secretary Hayden noted that it is one of the most exciting public policy issues that he has ever been involved in because it is an issue that is a for-bearer of the issues that lie before the state as the aquifers in Western Kansas decline. He mentioned that it is the first coordinated attempt, on behalf of the state, to deal with that decline and figure out ways in which the state makes these aquifers sustainable. It is shown as a contingency item because the appraisal for the Circle K Ranch has not been completed yet because it is such a complex process. The appraisal may not be completed until February 15, 2004. Secretary Hayden explained that it is a program designed to attempt to restore flow to the Arkansas River, solve municipal water problems for the cities of Hays and Russell and to provide significant increased public hunting lands in the state. Committee questions and discussion followed.

The meeting adjourned at 11:45 a.m. The next meeting is scheduled for January 15, 2004.

SENATE WAYS AND MEANS COMMITTEE  
GUEST LIST

DATE January 14, 2004

NAME	REPRESENTING
Julia Thomas	DOB
Jason Dunkel	DOB
Twila Drybread	DOB
Kennie Heffler	DOB
Keith Bradshaw	DOB
KEN RAHJES	Ks Dairy Assn.
John Edam	Wildlife + Parks
Daniel Wood	Kansas Wildlife Etn
ALAN COBB	Tullyuss Ranches
Don Hammerschmitt	KDHE
Tim Laurent	Lawrence Parks + Recreation
Annette Dechand	Lawrence Parks + Recreation
Roger STEINBROCK	LAWRENCE PARKS + Recreation
Ed Cross	Kansas Independent Oil & Gas Assoc.
Don Schnacke	KIOGA
Linda Lartermen	Kansas Wildlife - Parks
Jackie Mumford Parge	KCC
FRED DeVidor	City of Lawrence
John Petersa	Ks General Consultin
Craig Hawfek	Lawrence Parks + Recreation
Andre Jones	Lawrence Parks + Recreation
BOB STANCLIFF	LPRD

**SENATE WAYS AND MEANS COMMITTEE  
GUEST LIST**

DATE 1-14-04

NAME	REPRESENTING
Monica Katzer-Sykes	KRPA - City of Lenexa
Susan Blattner	KRPA - City of Lenexa
Michael Kalvort	KRPA - City of Lenexa
Don Rezac	K.C.A
Lob MEACY	Main Law Firm
Debbie O'connor	KRPA - City of Lenexa
Andy Sanchez	KAPE
Ken Gotschall	Water Office
Dick Koentz	KIDWP
GREG A. FOLEY	KDA
Susan Kang	KDHE
Jennifer	KWO

## SWPF FY2004-2005 Expenditures

Agency and Program	FY 2004 Gov. Est.	FY 2005 Gov. Rec.	SWPF FY 2004- 2005 Diff.
<b>University of Kansas</b>			
<b>Geological Survey</b>	\$ 40,000	\$ 40,000	\$ -
<b>Department of Agriculture</b>			
Floodplain Management	\$ 65,836	\$ 66,852	\$ 1,016
Water Appropriations	\$ 74,420	\$ 71,302	\$ (3,118)
Interstate Water Issues	\$ 240,076	\$ 248,859	\$ 8,783
Water Use Study	\$ 60,000	\$ 60,018	\$ 18
Subbasin Water Resources Mgt.	\$ 483,538	\$ 477,826	\$ (5,712)
<b>Total--Dept. of Agriculture</b>	\$ 923,870	\$ 924,857	\$ 987
<b>State Conservation Commission</b>			
Water Resources Cost-Share	\$ 4,228,478	\$ 3,495,218	\$ (733,260)
Nonpoint Source Pollution Asst.	\$ 2,987,793	\$ 2,799,520	\$ (188,273)
Conservation District Aid	\$ 1,043,000	\$ 1,043,000	\$ -
Mulitpurpose Small Lakes	\$ -	\$ -	\$ -
Watershed Dam Construction	\$ 362,212	\$ 352,499	\$ (9,713)
Buffer Initiatives	\$ 278,031	\$ 307,157	\$ 29,126
Riparian and Wetland Program	\$ 250,480	\$ 249,782	\$ (698)
Water Rights Purchase	\$ -	\$ -	\$ -
<b>Total--Conservation Commission</b>	\$ 9,149,994	\$ 8,247,176	\$ (902,818)
<b>Health &amp; Environment--Environment</b>			
Contamination Remediation	\$ 1,060,434	\$ 983,867	\$ (76,567)
Local Environmental Protection	\$ 1,674,856	\$ 1,502,737	\$ (172,119)
Nonpoint Source Technical Asst.	\$ 387,939	\$ 385,975	\$ (1,964)
TMDL Initiatives	\$ 346,224	\$ 320,088	\$ (26,136)
<b>Total--Health &amp; Environment</b>	\$ 3,469,453	\$ 3,192,667	\$ (276,786)
<b>Kansas Water Office</b>			
Assessment & Evaluation	\$ 204,220	\$ 108,511	\$ (95,709)
Federal Cost-Share Programs	\$ 88,094	\$ -	\$ (88,094)
GIS Data Base Development	\$ 250,000	\$ 247,405	\$ (2,595)
MOU--Operations & Maintenance	\$ 431,291	\$ 450,151	\$ 18,860
Ogallala Aquifer Institute	\$ 40,000	\$ -	\$ (40,000)
PMIB Loan Payment for Storage	\$ 237,477	\$ 240,036	\$ 2,559
Public Information	\$ 35,000	\$ -	\$ (35,000)
Stream Gaging Program	\$ 367,830	\$ 378,878	\$ 11,048
Technical Assist. to Water Users	\$ 339,737	\$ 180,131	\$ (159,606)
Water Planning	\$ 179,710	\$ 313,205	\$ 133,495
Water Resource Education	\$ 55,000	\$ 29,690	\$ (25,310)
Weather Modification	\$ 4,305	\$ -	\$ (4,305)
Kansas Water Authority	\$ 25,000	\$ 37,384	\$ 12,384
<b>Total--Kansas Water Office</b>	\$ 2,257,664	\$ 1,985,391	\$ (272,273)
<b>Wildlife &amp; Parks</b>			
Stream Monitoring	\$ 40,000	\$ -	\$ (40,000)
Circle K Ranch Debt Service	\$ -	\$ 440,491	\$ 440,491
<b>Total--Wildlife and Parks</b>	\$ 40,000	\$ 440,491	\$ 400,491
<b>Kansas Corporation Commission</b>			
<b>Oil &amp; Gas Well Plugging</b>	\$ -	\$ 367,000	\$ 367,000
* DOB treating as revenue transfer			
<b>Total</b>	\$ 15,880,981	\$ 15,197,582	\$ (683,399)

Senate Ways and Means  
1-14-04  
Attachment 1