

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on February 16, 2006, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Revisor of Statutes Office
Michael Corrigan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michelle Alishahi, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Amy VanHouse, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Earl Lewis, Kansas Water Office

Others attending:

See attached list.

Bill Introductions

Senator Schmidt moved, with a second by Senator Emler, to introduce a bill concerning claims against the state; personal injury limitations (5rs2169). Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Teichman, to introduce a bill concerning libraries; tax levies; based on preliminary values (5rs2086). Motion carried on a voice vote.

A motion was made by Senator Emler, with a second by Senator Teichman, to approve the minutes of the meetings of January 17 and January 20, 2006. Motion carried on a voice vote.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2006 and FY 2007 were made available to the Committee.

Subcommittee budget reports on:

Kansas Department of Agriculture (Attachment 1)

Subcommittee Chairman Mark Taddiken reported that the budget subcommittee on the Kansas Department of Agriculture concurs with the Governor's recommendations in FY 2006 and FY 2007 with a comment.

The Committee discussed funding a Horticulture Survey by the Kansas Department of Agriculture. The purpose of the survey, which is done every five years, is to collect information from Kansas horticulture industries and evaluate their impact on the Kansas economy.

Senator Taddiken moved, with a second by Senator Emler, to amend the budget subcommittee on the Kansas Department of Agriculture to add \$67,700 State General Fund in FY 2007 for a Horticulture Survey to be completed by the Kansas Department of Agriculture. Motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on February 16, 2006, in Room 123-S of the Capitol.

Senator Taddiken moved, with a second by Senator Emler, to adopt the subcommittee budget report on the Kansas Department of Agriculture as amended in FY 2006 and FY 2007. Motion carried on a voice vote.

Animal Health Department (Attachment 2)

Subcommittee Chairman Mark Taddiken reported that the budget subcommittee on the Animal Health Department concurs with the Governor's recommendations in FY 2006 and FY 2007 with observation.

Senator Taddiken moved, with a second by Senator Emler, to adopt the subcommittee budget report on the Animal Health Department in FY 2006 and FY 2007. Motion carried on a voice vote.

Kansas State Fair (Attachment 3)

Subcommittee Chairman Mark Taddiken reported that the budget subcommittee on the Animal Health Department concurs with the Governor's recommendations in FY 2006 and FY 2007 with recommendations and observations.

Senator Taddiken moved, with a second by Senator Emler, to adopt the subcommittee budget report on the Kansas State Fair in FY 2006 and FY 2007. Motion carried on a voice vote.

The Chairman opened the public hearing on:

SB 503--Establishing the water supply storage assurance fund

Staff briefed the Committee on the bill.

Chairman Umbarger welcomed Earl Lewis of the Kansas Water Office who testified in support of **SB 503 (Attachment 4)**. Mr. Lewis explained that the water supply assurance fund was statutory until 1998 when it was inadvertently abolished. He noted that since then the Kansas Water Office has needed an annual appropriations proviso to expend the funds for the program's regularly occurring expenses under the Water Assurance Act and this legislation would correct the inadvertent statutory deletion of the Water Assurance Fund.

There being no further conferees to appear before the Committee, the Chairman closed the public hearing on **SB 503**.

Senator Wysong moved, with a second by Senator Emler, to recommend **SB 503** favorable for passage and be placed on the Consent Calendar. Motion carried on a roll call vote.

The meeting adjourned at 11:15 a.m. The next meeting is scheduled for February 17, 2006.

**SENATE WAYS AND MEANS
GUEST LIST**

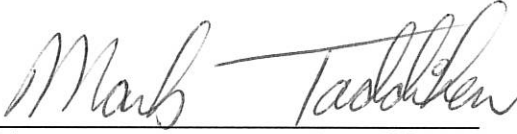
Date February 16, 2006

NAME	REPRESENTING
Joe Fund	KWO
Earl D. Lewis, Jr., P.E.	KWO
Twila Drybread	Budget
Ali Sultani	Senate Intern
MAX FOSTER	KDA
CV Cotsoyadis	KDA
Mark Borczyk	CAPITOL SOLARIES
Ling Douglas	Hein Law Firm

FY 2006 and FY 2007

SENATE AGRICULTURE BUDGET COMMITTEE

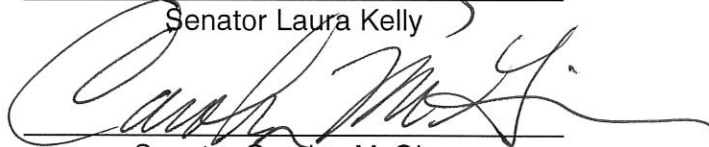
Agriculture



Senator Mark Taddiken, Chairman



Senator Laura Kelly



Senator Carolyn McGinn

Senate Subcommittee Report

Agency: Department of Agriculture

Bill No.

Bill Sec.

Analyst: Dunkel

Analysis Pg. No. Vol. I - 1059

Budget Page No. 47

Expenditure	Agency Req. FY 06	Governor Rec. FY 06	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,399,625	\$ 10,399,625	\$ 0
Other Funds	13,867,436	13,867,436	0
TOTAL	<u>\$ 24,267,061</u>	<u>\$ 24,267,061</u>	<u>\$ 0</u>
FTE Positions	302.5	302.5	0.0
Non FTE Uncl. Perm. Pos.	23.0	23.0	0.0
TOTAL	<u>325.5</u>	<u>325.5</u>	<u>0.0</u>

Agency Estimate

The **agency** estimates FY 2006 expenditures of \$24.3 million, including \$10.4 million from the State General Fund and \$1.1 million from the State Water Plan Fund. The estimate is an increase of \$3.3 million or 15.9 percent above the FY 2005 actual amount and reflects one-time expenditures for the 27th payroll period and increased contractual services expenditures for Federal Emergency Management flood plain map modernization efforts.

Governor's Recommendation

The **Governor** concurs with the agency estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

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Senate Subcommittee Report

Agency: Department of Agriculture

Bill No.

Bill Sec.

Analyst: Dunkel **Analysis Pg. No.** Vol. II - 1059

Budget Page No. 47

Expenditure	Agency Req. FY 07	Governor Rec. FY 07	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 12,666,612	\$ 11,047,255	\$ 0
Other Funds	13,063,708	14,154,237	0
TOTAL	\$ 25,730,320	\$ 25,201,492	\$ 0
FTE Positions	302.5	302.5	0.0
Non FTE Uncl. Perm. Pos.	21.3	21.3	0.0
TOTAL	323.8	323.8	0.0

Agency Estimate

The **agency** requests FY 2007 expenditures of \$25.7 million, including \$12.7 million from the State General Fund and \$738,595 from the State Water Plan Fund. The request is an increase of \$1.5 million or 6.0 percent above the agency's FY 2006 estimate. The request includes enhancements totaling \$2.9 million, with \$2.6 million from the State General Fund.

Governor's Recommendation

The **Governor** recommends FY 2007 expenditures of \$25.2 million, including \$11.0 million from the State General Fund and \$1.8 million from the State Water Plan Fund. The Governor funds enhancement requests totaling \$2.1 million, including \$837,365 State General Fund, and adds \$369,349, including \$245,026 State General Fund for a 2.5 percent base salary adjustment.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that the Department of Agriculture has completed the vehicle analysis recommended during the 2005 Session regarding the cost of leasing versus purchasing of vehicles for agency use and the necessary internal rotation cycle for vehicles within the agency. In addition, the Subcommittee thanks the agency for making the analysis available to its members.

Senate Subcommittee Report

Animal Health Department

FY 2006 and FY 2007



Senator Mark Taddiken, Chair



Senator Carolyn McGinn



Senator Laura Kelly

Senate Subcommittee Report

Agency: Animal Health Department **Bill No.**

Bill Sec.

Analyst: Spurgin

Analysis Pg. No. Vol. 2-1077

Budget Page No. 59

Expenditure Summary	Agency Est. FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 774,801	\$ 774,801	\$ 0
Other Funds	2,946,157	2,946,157	0
TOTAL	\$ 3,720,958	\$ 3,720,958	\$ 0
FTE Positions	33.0	33.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	34.0	34.0	0.0

Agency Estimate

For FY 2006, the **Kansas Animal Health Department** estimates expenditures of \$3,720,958 which is an increase of \$1,214,800 (48.5 percent) above the amount approved by the 2005 Legislature.

- The agency estimates State General Fund expenditures of \$774,801, which is consistent with the approved amount.
- The all other funds request totals \$2,946,157, which is an increase of \$1,214,800 (70.2 percent) above the approved amount. The increase can be partially attributed to salary and wage expenses (the reclassification of positions authorized by the 2005 Legislature and the financing of 2.0 positions granted by the 2004 Legislature). The bulk of the increase is related to additional federal funds expected to come into the agency in FY 2006, which will be used to fund several disease control related projects. Expenditures from the federal fund were approved at \$139,027, but with the additional funds available, expenditures are now estimated at \$1,297,798.

Governor's Recommendation

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

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that additional federal funds are being utilized for several animal identification and disease control projects, some of which were identified by the agency as follows:
 - a. The agency is working with Farm Service Agencies, livestock markets and the KSU extension office to implement a pilot program of premises registration. This project includes installing ID readers on trucks to scan the tags of livestock as they are loaded on the truck. The total estimate for this program is \$685,000 funded through federal funds as part of the USDA National Animal Identification System to encourage the registration of premises and develop a system to provide the tools for epidemiological investigation of disease outbreak.
 - b. The agency is also working as a pilot project with six county fairs to provide information to educate the public about the premises ID program.

Senate Subcommittee Report

Agency: Animal Health Department **Bill No.** **Bill Sec.**

Analyst: Spurgin **Analysis Pg. No.** Vol. 2-1077 **Budget Page No.** 59

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 904,207	\$ 685,074	\$ 0
Other Funds	1,910,505	2,002,314	0
TOTAL	\$ 2,814,712	\$ 2,687,388	\$ 0
FTE Positions	35.0	33.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	36.0	34.0	0.0

Agency Request

The **agency** requests expenditures of \$2,814,712, including \$904,207 from the State General Fund. The request is a decrease of \$906,246 (24.4 percent) below the FY 2006 estimate. The request includes enhancement packages totaling \$182,624. Operating expenditures of \$904,207 are requested from the State General Fund, which represents an increase in State General Fund expenditures of \$129,406 (16.7 percent) above the FY 2006 estimate. The agency has requested enhancements totaling \$248,683 from the State General Fund and \$182,624 from all funds. The enhancement request includes the shift of \$66,059 from special revenue fund expenditures to the State General Fund. The agency also requested three vehicles and an additional 2.0 FTE positions.

Governor's Recommendation

For FY 2007, the **Governor** recommends operating expenditures of \$2,687,388, including \$685,074 from the State General Fund. The recommendation is a decrease of \$1,033,570 (27.8 percent) below the current year recommendation. Of the enhancement requests of the agency, the Governor recommends only one enhancement of \$19,000 from the State General Fund for a vehicle replacement.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that feral swine are becoming a problem in Kansas. The agency provided testimony that it is currently compiling data on possible actions to address the feral swine matter. The agency indicated that it is gathering such information, but that data was not yet available for the Subcommittee to review. The Subcommittee recommends a review at Omnibus to consider

whether additional funding is necessary to address the problem of feral swine in Kansas.

FY 2006 and FY 2007

SENATE WAYS AND MEANS SUBCOMMITTEE

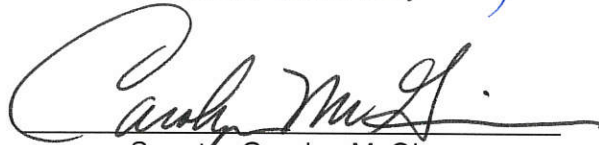
Kansas State Fair



Senator Mark Taddiken, Chair



Senator Laura Kelly



Senator Carolyn McGinn

Senate Ways and Means
2-16-06
Attachment 3

Senate Subcommittee Report

Agency: Kansas State Fair

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. II, 1096

Budget Page No. 165

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 5,158,185	\$ 5,161,185	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 5,158,185</u>	<u>\$ 5,161,185</u>	<u>\$ 0</u>
Capital Improvements	1,225,601	1,225,601	0
TOTAL	<u><u>\$ 6,383,786</u></u>	<u><u>\$ 6,386,786</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 499,737	\$ 499,737	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 499,737</u>	<u>\$ 499,737</u>	<u>\$ 0</u>
Capital Improvements	1,120,635	1,120,635	0
TOTAL	<u><u>\$ 1,620,372</u></u>	<u><u>\$ 1,620,372</u></u>	<u><u>\$ 0</u></u>
FTE Positions	24.0	24.0	0.0
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>24.0</u></u>	<u><u>24.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates FY 2006 operating expenditures of \$5,158,185, a decrease of \$34,247 or 0.7 percent below the approved amount. The agency estimates State General Fund expenditures of \$499,737, a decrease of \$307 below the approved amount. The difference between the approved amount and the agency's revised estimate is the result of:

- A \$307 State General Fund reduction that reflects an adjustment to the state's portion of the debt service interest payment for the master plan capital improvement bonds; and
- A \$33,940 all other funds reduction that reflect actual expenditures for the 2005 Kansas State Fair.

In addition, the agency's estimate includes a **supplemental request** for an additional \$550 from the State Fair Fee Fund to convert a non-FTE receptionist position to a FTE position.

Governor's Recommendation

The **Governor** recommends FY 2006 operating expenditures of \$5,161,185, a decrease of \$31,247 or 0.6 percent below the approved amount. The recommendation is \$3,000 more than the agency's revised current year estimate and includes an additional \$3,000 for Kansas Savings Incentive Program (KSIP) expenditures.

In addition, the Governor recommends the agency's supplemental request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas State Fair

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. II-1096

Budget Page No. 165

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 5,223,263	\$ 5,203,922	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 5,223,263</u>	<u>\$ 5,203,922</u>	<u>\$ 0</u>
Capital Improvements	1,187,713	1,187,713	0
TOTAL	<u><u>\$ 6,410,976</u></u>	<u><u>\$ 6,391,635</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 467,251	\$ 467,251	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 467,251</u>	<u>\$ 467,251</u>	<u>\$ 0</u>
Capital Improvements	1,080,000	1,080,000	0
TOTAL	<u><u>\$ 1,547,251</u></u>	<u><u>\$ 1,547,251</u></u>	<u><u>\$ 0</u></u>
FTE Positions	24.0	24.0	0.0
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>24.0</u></u>	<u><u>24.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2007 operating expenditures of \$5,223,263, an increase of \$65,078 or 1.3 percent above the current year revised estimate. The agency requests State General Fund expenditures of \$467,251, a decrease of \$32,486 or 6.5 percent below the FY 2006 revised estimate. The request includes four enhancements totaling \$126,290 from the Economic Development Initiative Fund (EDIF). **Without the enhancements**, the agency's request is a decrease of \$61,212 or 1.2 percent below the current year revised estimate.

Governor's Recommendation

The **Governor** recommends FY 2007 operating expenditures of \$5,203,922, an increase of \$42,737 or 0.8 percent above the current year recommendation. The Governor concurs with the agency's FY 2007 State General Fund request. The recommendation is \$19,341 or 0.4 percent less than the agency's budget year request and includes:

- An additional \$24,456 from the State Fair Fee Fund for a 2.5 percent salary increase for all state employees;

- An additional \$6,203 from the State Fair Fee Fund for incentive bonuses for trade employees;
- An additional \$19,960 from EDIF for the agency's request to enhance marketing of the Largest Classroom Program at the Kansas State Fair;
- An additional \$50,000 from EDIF for the agency's request to enhance marketing of the Kansas State Fair; and
- An additional \$6,330 from the State Fair Fee Fund for the agency's request to continue in FY 2007 the conversion of a non-FTE receptionist position to a permanent FTE position that is requested for FY 2006.

Senate Subcommittee Recommendation

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

1. **Largest Classroom Program.** The Subcommittee concurs with the Governor's recommendation to fund the agency's enhancement request of \$19,960 from EDIF for the Largest Classroom program. This program helps teachers plan and organize educational field trips to the State Fair. Students who participate range from preschool to college, however, the majority are at the elementary school level. The agency reported that, during the 2005 State Fair, 7,200 students from 50 school districts in 31 counties attended the State Fair through this program.
2. **ADA Compliance.** The Subcommittee notes that the agency's compliance with the Americans with Disabilities Act (ADA) for wheel-chair seating in the grandstand will be complete by June 2006.
3. **Non-Fair Events.** The Subcommittee notes there are 230 to 250 non-fair events held at the fairgrounds every year, including flea markets, livestock shows and sales, horse shows, team ropings, wedding receptions, company picnics, tool sales, meetings, banquets, and funerals. The Subcommittee believes that these non-fair events demonstrate strong community support for the facilities.
4. **Marketing State Fair.** The Subcommittee notes that the agency currently spends \$175,000 a year to market the State Fair. The Governor's recommendation to add \$50,000 from EDIF to enhance marketing of the State Fair is an increase of 28.6 percent above the current amount.
5. **Premium Parking.** The Subcommittee recommends the agency to continue exploring the possibility of charging for premium parking as it completes the Gate 9 renovation project. This project will replace the current portable ticket booths with a more functional and appealing structure. During the 2005 Session, the Subcommittee also made a recommendation to the agency to consider charging for premium parking spots close to the fairgrounds. The agency indicated that it is in the process of identifying an area on the fairgrounds where parking spots could be sold to the general public.
6. **Expand to Urban Areas.** The Subcommittee recommends the agency to expand State Fair activities to urban areas such as Topeka, Lawrence, Kansas City, and Leavenworth. The Subcommittee notes that one possible way to expand State Fair activities is through distance learning.



K A N S A S

TRACY STREETER, DIRECTOR

KANSAS WATER OFFICE

KATHLEEN SEBELIUS, GOVERNOR

Testimony on SB 503

Presented to
The Senate Ways and Means Committee

Earl Lewis
Kansas Water Office
February 16, 2006

Mr. Chairman and members of the Senate Ways and Means Committee, I am pleased to appear before you today in support of SB 503.

The Water Assurance Program was created by statute in 1986 to better serve the water needs of municipal and industrial water right holders below federal reservoirs in Kansas and is operated by the Kansas Water Office. As a function of the program, water assurance districts representing these entities contract with the Kansas Water Office to provide water during times of drought from state purchased storage in the federal reservoirs. In return the assurance districts repay the state's cost to acquire, operate and maintain the storage as well as administer the program.

The water supply assurance fund was statutory until 1998 when it was inadvertently abolished. Since then the Kansas Water Office has needed an annual appropriations proviso to expend the funds for the program's regularly occurring expenses under the Water Assurance Act. This legislation would correct the inadvertent statutory deletion of the Water Assurance Fund.

The fund is for receipt of water supply assurance monies from assurance districts to pay various assurance district water supply storage and related operating expenses. Further, the language in SB 503 provides for the authorized expenditures of monies from this account for the following purposes:

- 1) Payment to the federal government for annual capital costs of water supply storage in federal reservoirs under the water assurance program;
- 2) Payment and reimbursement to the Water Marketing Fund, State General Fund or the State Water Plan Fund for water supply storage space previously paid for by these funds;
- 3) Payment to the federal government of annual operations, maintenance and repair costs associated with water supply storage space; and
- 4) Payment and reimbursement to the Water Marketing Fund and State General Fund for costs incurred by the state for administration and enforcement of the water assurance program.

The Kansas Water Office has routinely conducted these transactions since the creation of the Water Assurance Program. This legislation is necessary for the agency to receive and expend monies in accordance with its obligations under the Water Assurance Act and contracts with the federal government and the Water Assurance Districts.

Thank you Mr. Chairman for this opportunity to appear in support of SB 503. I am pleased to stand for question at the appropriate time.