

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:08 a.m. on February 27, 2009, in Room 143-N of the Capitol.

All members were present except:

- Representative Doug Gatewood- excused
- Representative Jerry Henry- excused
- Representative Lee Tafanelli- excused

Committee staff present:

- Nobuko Folmsbee, Office of the Revisor of Statutes
- Jim Wilson, Office of the Revisor of Statutes
- Christina Butler, Kansas Legislative Research Department
- Audrey Dunkel, Kansas Legislative Research Department
- JG Scott, Kansas Legislative Research Department
- Kelly Cure, Chief of Staff
- Kathy Holscher, Committee Assistant

Conferees appearing before the committee:

None

Others attending:

See attached list.

- Attachment 1 Budget Committee Reports on State Bank Commissioner, Department of Credit Unions, Office of the Kansas Securities Commissioner, Board of Veterinary Examiners
- Attachment 2 Budget Committee Reports on Department of Commerce, Kansas, Inc., Kansas Technology Enterprise Corporation, Kansas Water Office
- Attachment 3 State Water Plan Fund

Chairman Yoder welcomed Committee members and reviewed the Committee meeting agenda.

Representative Carlin, member of Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Office of the State Bank Commissioner for FY 2011 and moved for the adoption of the Budget Committee recommendations for FY 2011, (Attachment 1). The motion was seconded by Representative Light. Motion carried.

Representative Carlin, member of Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Credit Unions for FY 2010 and moved for the adoption of the Budget Committee recommendations for FY 2010, (Attachment 1). The motion was seconded by Representative Light.

Representative Carlin responded to questions from Committee members regarding consolidating offices and the 18 month audit cycle.

Representative Feuerborn made a substitute motion to review this budget at Omnibus. The motion was seconded by Representative Watkins. Motion carried.

Representative Carlin moved to adopt the FY 2010 Department of Credit Unions Budget Committee report as amended. Motion carried.

Representative Carlin, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Credit Unions for FY 2011 and moved for the adoption of the Budget Committee recommendations for FY 2011, (Attachment 1). The motion was seconded by Representative Light. Motion carried.

Representative Carlin, member of the Agriculture and Natural Resources Budget Committee, presented the

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:08 a.m. on February 27, 2009, in Room 143-N of the Capitol.

Budget Committee report on the Governor's budget recommendations for the Office of the Kansas Securities Commissioner for FY 2010 and moved for the adoption of the Budget Committee recommendations for FY 2010, (Attachment 1).

Budget Committee members noted a technical correction in the Governor's Recommendation for FY 2010. This amount should be \$2,767,572 not 2,888,286 as printed.

Representative Carlin made a motion to approve the Office of the Kansas Securities Commissioner FY 2010 Budget Report as amended. The motion was seconded by Representative Light. Motion carried.

Representative Carlin, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Office of the Kansas Securities Commissioner for FY 2011 and moved for the adoption of the Budget Committee recommendations for FY 2011, (Attachment 1). The motion was seconded by Representative Light. Motion carried.

Representative Carlin, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Veterinary Examiners for FY 2010 and moved for the adoption of the Budget Committee recommendations for FY 2010, (Attachment 1). The motion was seconded by Representative Light.

Discussion followed by Committee members regarding the KIP monies to purchase computers. It was noted that this purchase was put on hold and the order was canceled.

Representative Carlin renewed the motion to approve the FY 2010 Board of Veterinary Examiners Budget Report. Motion carried.

Representative Carlin, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Veterinary Examiners for FY 2011 and moved for the adoption of the Budget Committee recommendations for FY 2011, (Attachment 2).

A technical correction was noted on the Board of Veterinary Examiners. The Governor's recommendation for FY 2011 should be 282,293.

Representative Carlin made a motion to approve the FY 2011 Board of Veterinary Examiners Budget Report as corrected. The motion was seconded by Representative Light. Motion carried.

Representative Faber, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Commerce for FY 2010 and moved for the adoption of the Budget Committee recommendations for FY 2010, (Attachment 1). The motion was seconded by Representative Light. Motion carried.

Representative Faber, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for Kansas, Inc. for FY 2010, and moved for the adoption of the Budget Committee recommendations for FY 2010, (Attachment 2). The motion was seconded by Representative Light.

Budget Committee members responded to questions from Committee members regarding budget reductions impacting the Department of Commerce, Kansas, Inc., KTEC and INK.

Representative Sawyer made a substitute motion to go back to the sub-committees to identify another \$1.8 million in savings within the three agencies at Omnibus. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Faber, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Technology Enterprise

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:08 a.m. on February 27, 2009, in Room 143-N of the Capitol.

Corporation (KTEC) for FY 2010 and moved for the adoption of the Budget Committee recommendations for FY 2010, (Attachment 2). The motion was seconded by Representative Light. Motion carried.

Representative Faber, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Water Office for FY 2010 and moved for the adoption of the Budget Committee recommendations for FY 2010, (Attachment 2). The motion was seconded by Representative Light.

Budget Committee members responded to questions from Committee members regarding: the Weather Modification Program. An overview of the State Water Plan Fund followed, (Attachment 3). Committee members stated their concern for the \$6 million SGF transfer to the State Water Plan Fund and the need to consolidate programs.

Representative Faber renewed the motion to adopt the FY 2010 Kansas Water Office Budget Committee recommendations. Motion carried.

Representative Faber, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Conservation Commission for FY 2010 and moved for the adoption of the Budget Committee recommendations for FY 2010, (Attachment 2). The motion was seconded by Representative Light.

Committee members requested an update on the total of new money reflected in budget reports. Staff will provide this information at the March 2nd Committee meeting.

Representative Burroughs made a motion to review the State General Fund Transfer to the State Water Plan Fund at Omnibus. The motion was seconded by Representative Lane. Motion carried.

Representative Faber made a motion to approve the FY 2010 State Conservation Commission Budget Committee Report as amended. Motion carried.

Chairman Yoder stated that staff is working on a budget summary document that would compare the approved FY 2009 budget; Governor's recommendations; **SB - 23** (with cuts); and the Committee's approved budget totals.

J.G. Scott stated that the SGF balance adjustments from the sub-committees, that have reported out, would be available the following day.

The next meeting is scheduled for March 2, 2009.

The meeting was adjourned at 10:20 a.m.


Kevin Yoder, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2-27-09

NAME	REPRESENTING
Dan Secher	KFBIO/KARA/KCFA
Lindsay Douglas	KDA
Wendy Eckles	KS Chamber of Commerce
Leslie Kaufman	KS KS Coop Council
Matt Casey	GBA
Mark BOZANYAK	Capitol Strategies
Wendy M H	KAPA - KEMCA
Liz A Keck	Blein law firm
Katie Dunne	KL
Mary Ellen Conlee	KS Career Pipeline

FY 2010

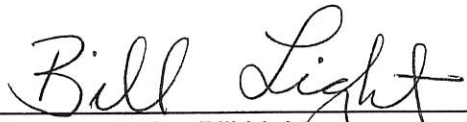
HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

Board of Accountancy
Office of State Bank Commissioner
Department of Credit Unions
Office of the Kansas Securities Commissioner
Board of Veterinary Examiners



Representative John Faber, Chair

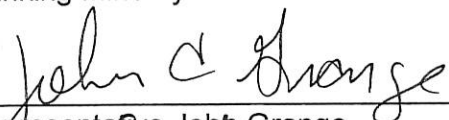

Representative Carl Holmes


Representative Larry Powell, Vice-Chair


Representative Bill Light


Representative Sydney Carlin,
Ranking Minority Member


Representative Steve Lukert


Representative John Grange


Representative Jerry Williams


Representative Don Hill

Appropriations Committee.

Attachment 1-1

Date 2/27/09

Budget _____

House Budget Committee Report

Agency: Office of the State Bank Commissioner **Bill No.** HB

Bill Sec.

Analyst: Dear

Analysis Pg. No.

Budget Page No. 479

Expenditure Summary	Agency Request FY 2011	Governor's Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	
Other Funds	9,225,032	8,914,436	176,177
Subtotal - Operating	\$ 9,225,032	\$ 8,914,436	\$ 176,177
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 9,225,032	 \$ 8,914,436	 \$ 176,177
 FTE Positions	 101.0	 99.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	101.0	99.0	0.0

Agency Request

The **agency** requests FY 2011 operating expenditures of \$9,225,032, an increase of \$172,705, or 1.9 percent, above the FY 2010 estimate. The agency's FY 2010 request includes an enhancement request renewing the FTEs listed above and for the replacement of an additional vehicle.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$8,914,436, an increase of \$567,128, or 6.8 percent, above the Governor's FY 2010 recommendation. The increase is attributable to the expiration of the moratoriums on health insurance and death and disability contributions and the discontinuation of the additional 2.0 percent reduction in salaries and wages recommended by the Governor. The 2.0 percent reduction in Salaries and Wages negotiated between the agency and Division of Budget remains in place for a savings of \$176,177. The Governor does not recommend the FY 2011 enhancement requests.

House Budget Committee Recommendation

The **Committee** concurs with the Governor's recommendation with the following recommendation:

1. Add \$176,177, all from the agency's special revenue funds, to restore a 2.0 percent budget reduction recommended by the Governor.

House Budget Committee Report

Agency: Department of Credit Unions **Bill No.** HB --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. Vol.-

Budget Page No. 487

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	949,324	876,497	55,979
Subtotal - Operating	\$ 949,324	\$ 876,497	\$ 55,979
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 949,324	\$ 876,497	\$ 55,979
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Request

The **agency** requests FY 2008 operating expenditures of \$949,324, a decrease of \$5,522, or 0.6 percent, below the agency revised FY 2009 estimate. The decreased expenditures are attributed to the lack of a KSIP expenditure in FY 2010 coupled with offsetting increases in salaries, wages and contractual services. The agency's request includes an enhancement package of \$14,800, all from the Credit Union Fee Fund, for the purchase of a replacement vehicle.

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$876,947, a decrease of \$1,043, or 0.1 percent, below the Governor's FY 2009 recommended budget. The governor does not recommend the agency's request to purchase a replacement vehicle in FY 2010. The Governor also recommends moratoriums on Death and Disability as well as Health Insurance contribution payments reducing salaries and wages by \$20,647 and transferring the savings to the State General Fund. The Governor also recommends salary and wage expenditure decreases of \$18,598 combined with reductions in meals and lodging expenses during travel of \$18,690 and transferring the savings of \$58,027 to the State General Fund.

House Budget Committee Recommendation

The **Committee** concurs with the Governor's recommendation with the following recommendations and notations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$16,961, all from special revenue funds, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$1,638, all from special revenue funds, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010..
3. Add \$37,380, all from the agency's special revenue funds, to restore a 4.0 percent budget reduction recommended by the Governor.

House Budget Committee Report

Agency: Department of Credit Unions **Bill No.** HB --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. Vol.-

Budget Page No. 487

Expenditure Summary	Agency Request FY 2011	Governor's Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	983,946	949,371	19,375
Subtotal - Operating	\$ 983,946	\$ 949,371	\$ 19,375
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 983,946	\$ 949,371	\$ 19,375
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Request

The **agency** requests FY 2009 operating expenditures of \$983,946, an increase of \$34,622, or 3.6 percent, above the agency revised FY 2010 request. The agency's request includes an enhancement package of \$15,200, all from the Credit Union Fee Fund, for the purchase of a replacement vehicle.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$949,371, an increase of \$72,424, or 8.3 percent, above the FY 2010 recommendation. The increase is due to the projected end of the moratoriums on Death and Disability as well as health insurance contribution payments. The Governor also concurs at this time with the agency's projected increases in expenditures for holiday pay for employees and an 80.0 percent increase in the cost of group health and hospitalization contributions. The Governor does not recommend the enhancement request for the new vehicle in FY 2011.

House Budget Committee Recommendation

The **Committee** concurs with the Governor's recommendation with the following recommendation:

1. Add \$19,375, all from the agency's special revenue funds, to restore a 2.0 percent budget reduction recommended by the Governor.

House Budget Committee Report

Agency: Office of the Kansas Securities Commissioner **Bill No.** HB **Bill Sec.**

Analyst: Dear **Analysis Pg. No.** **Budget Page No.** 509

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	House Budget Committee Adjustments
Operating Expenditures:		<i>Corrected</i>	
State General Fund	\$ 0	\$ <i>2,767,572</i>	\$ 0
Other Funds	2,896,000	2,888,286	120,714
Subtotal - Operating	\$ 2,896,000	\$ 2,888,286	\$ 120,714
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
 TOTAL	\$ 2,896,000	\$ <i>2,767,572 - corrected</i> 2,888,286	\$ 120,714
 FTE Positions	32.1	32.1	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	32.1	32.1	0.0

Agency Request

The **agency** requests FY 2010 operating expenditures of \$2,896,000, a decrease of \$235,225, or 7.5 percent, below the agency's revised FY 2009 estimate. The decrease is predominantly attributable to KSIP expenditures described above.

Governor's Recommendation

The **Governor** recommends FY 2010 expenditures of \$2,767,572, a decrease of \$107,931, or 3.8 percent below the Governor's FY 2009 recommendation. The governor also recommends implementing a moratorium on State contributions to the group health insurance and death and disability funds for 7 pay periods reducing expenditures by \$70,508 and transferring the savings to the State General Fund. The Governor further recommends a reduction in salary and wage expenditures by \$57,920 and transferring the savings to the State General Fund. The governor also recommends that the agency use \$20,945 in agency resources to fund a cost of living adjustment of 1.0 percent.

House Budget Committee Recommendation

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$56,623, all from special revenue funds, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$6,171, all from special revenue funds, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. Add \$57,920, all from the agency's special revenue funds, to restore a 2.0 percent budget reduction recommended by the Governor.

House Budget Committee Report

Agency: Office of the Kansas Securities Commissioner **Bill No.** HB

Bill Sec.

Analyst: Dear

Analysis Pg. No.

Budget Page No. 509

Expenditure Summary	Agency Request FY 2011	Governor's Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,944,146	2,944,146	0
Subtotal - Operating	<u>\$ 2,944,146</u>	<u>\$ 2,944,146</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 2,944,146</u></u>	<u><u>\$ 2,944,146</u></u>	<u><u>\$ 0</u></u>
FTE Positions	101.0	99.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>101.0</u></u>	<u><u>99.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2011 operating expenditures of \$2,944,146, an increase of \$48,146, or 1.7 percent, above the agency revised FY 2010 request. The agency states, that the increase is attributable to Division of Budget cost index increases and capital outlay expenditures related to the systematic upgrading and replacement of computer equipment.

Governor's Recommendation

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

House Budget Committee Recommendation

The **Committee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Veterinary Examiners **Bill No.** HB

Bill Sec.

Analyst: Butler

Analysis Pg. No. Vol.-

Budget Page No.

Expenditure Summary	Agency Request FY 11	Governor's Recommendation FY 11	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	282,293	382,293	0
Subtotal - Operating	<u>\$ 282,293</u>	<u>\$ 382,293</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 282,293</u></u>	<u><u>\$ 382,293</u></u>	<u><u>\$ 0</u></u>
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>0.0</u></u>

Agency Request

For FY 2011, the agency requests expenditures of \$282,293 from the Veterinary Examiners Fee Fund. The request is an increase of \$3,874, or 1.4 percent, above the amount estimated for FY 2010. The increase in contractual services is attributable to legal fees.

Governor's Recommendation

The Governor concurs with the agency request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor.

House Budget Committee Report

Agency: Board of Veterinary Examiners **Bill No.** HB

Bill Sec.

Analyst: Butler

Analysis Pg. No. Vol.-

Budget Page No.

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	278,419	261,162	5,544
Subtotal - Operating	\$ 278,419	\$ 261,162	\$ 5,544
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 278,419	\$ 261,162	\$ 5,544
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request

For FY 2010, the agency requests expenditures of \$278,419 from the Veterinary Examiners Fee Fund. The request is a decrease of \$49,322, or 15.1 percent, below the amount estimated for FY 2009. The decrease is mainly due to a Capital Outlay expense of \$59,183 from KSIP for FY 2009.

Governor's Recommendation

The Governor recommends FY 2010 operating expenditures of \$261,162, a decrease of \$889, or 0.3 percent, below the FY 2009 recommendation. The recommendation is a decrease of \$17,157, or 6.5 percent, below the agency's FY 2010 request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$5,082, all from the Veterinary Examiner's Fee Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll

periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.

2. **KPERS Death and Disability Moratorium.** Add \$462, all from the Veterinary Examiner's Fee Fund, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Fee Fund Sweep:** Delete the transfer of \$125,000 from the Veterinary Examiners Fee Fund to the State General Fund. This amount will remain in the agency's fee fund.

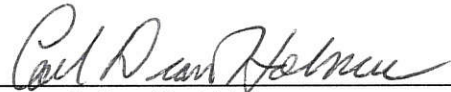
FY 2010

HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

Department of Commerce
Kansas, Inc.
Kansas Technology Enterprise Corporation
Kansas Water Office
State Conservation Commission




Representative John Faber, Chair



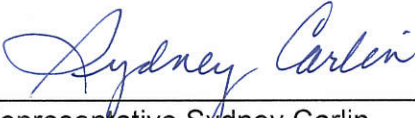
Representative Carl Holmes



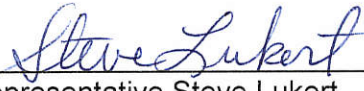
Representative Larry Powell, Vice-Chair



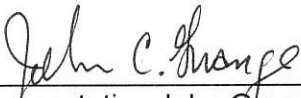
Representative Bill Light



Representative Sydney Carlin,
Ranking Minority Member



Representative Steve Lukert



Representative John Grange



Representative Jerry Williams



Representative Don Hill

Appropriations Committee

Attachment 2-1

Date 2/27/09

Budget _____

House Budget Committee Report

Agency: Department of Commerce **Bill No.** HB - -

Bill Sec. - -

Analyst: Steiner

Analysis Pg. No. - -

Budget Page No. 51

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 607,034	\$ 0	0
Other Funds	120,646,326	129,711,995	(10,336,742)
Subtotal - Operating	<u>\$ 121,253,360</u>	<u>\$ 129,711,995</u>	<u>\$ (10,336,742)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	155,000	155,000	0
Subtotal - Capital Improvements	<u>\$ 155,000</u>	<u>\$ 155,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 121,408,360</u></u>	<u><u>\$ 129,866,995</u></u>	<u><u>\$ (10,336,742)</u></u>
FTE Positions	374.75	314.75	0.0
Non FTE Uncl. Perm. Pos.	47.0	48.0	0.0
TOTAL	<u><u>421.75</u></u>	<u><u>362.75</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests \$121,253,360, including \$607,034 from the State General Fund, for FY 2010 operating expenditures. The request is an all funds decrease of \$9,059,122, or 7.0 percent, and a State General Fund decrease of \$1,342, or 0.2 percent, below the FY 2009 estimate. The request includes one enhancement package totaling \$44,000, all from special revenue funds. Without the enhancement package, the request would be \$121,209,360, or 7.0 percent, below the FY 2009 revised estimate. The reduction is mainly attributable to revised federal funds and special revenue funds revised estimates.

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$129,711,995 all from special revenue funds. The recommendation is an increase of \$505,840, or 0.4 percent, above the Governor's FY 2009 recommendation. The recommendation is an increase of \$8,458,635, or 7.0 percent, above the agency's FY 2010 request. The increase is largely due to the transfer of the Kansas Technology Enterprise Corporation grant programs to the Kansas Department of Commerce.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$498,848, all from special revenue funds, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$47,795, all from special revenue funds, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Kansas Technology Enterprise Corporation and Kansas, Inc.** Delete \$9,044,430, including \$7,534,430 from the Economic Development Initiatives Fund (EDIF), and do not abolish the Kansas Technology Enterprise Corporation and Kansas, Inc.
4. **10.0 Percent Expenditure Reduction.** Delete an additional \$1,838,955, all from the Economic Development Initiatives Fund, to achieve an additional 10.0 percent reduction to expenditures from the FY 2010 Governor's recommendation. The agency has not indicated where the reductions would be taken.
5. **Kansas Economic Opportunity Initiatives Fund (KEOIF).** The House Budget Committee concurs with the Governor's recommendation to increase the transfer to the Kansas Economic Opportunity Initiatives Fund by \$2.0 million. The total transfer from the Economic Development Initiatives Fund to the Kansas Economic Opportunity Initiatives Fund for FY 2010 will be \$3.25 million.

House Budget Committee Report

Agency: Kansas, Inc.

Bill No. HB --

Bill Sec. --

Analyst: Steiner

Analysis Pg. No. Vol. --

Budget Page No 71.

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	729,208	0	530,483
Subtotal - Operating	<u>\$ 729,208</u>	<u>\$ 0</u>	<u>\$ 530,483</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 729,208</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 530,483</u></u>
FTE Positions	4.5	0.0	4.5
Non FTE Uncl. Perm. Pos.	1.0	0.0	1.0
TOTAL	<u><u>5.5</u></u>	<u><u>0.0</u></u>	<u><u>5.5</u></u>

Agency Request

The **agency** requests \$729,208 for FY 2010 operating expenditures, an increase of \$121,925, or 20.1 percent, above the FY 2009 estimate. The request includes one enhancement package totaling \$101,153 from all funding sources. Without the enhancement package, the agency's request would be an increase of \$20,772, or 2.4 percent, above the FY 2009 estimate.

Governor's Recommendation

The **Governor** recommends the agency be abolished and all economic policy research and strategic planning be managed within the existing resources of the Department of Commerce.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following recommendation:

- Restore Funding for Kansas, Inc.** Add \$530,483, including \$374,824 from the Economic Development Initiatives Fund (EDIF), to restore funding for Kansas, Inc. in FY 2010. The EDIF recommendation contains a 6.0 percent reduction from the agency's FY 2009 approved budget as contained in House Substitute

for Substitute for S.B. 23, the current year recision bill. Also included in the funding is \$155,659, all from special revenue funds, for the operations of Information Network of Kansas (INK). INK is the state portal provider to citizens and business through the "Kansas.gov" website. The agency provides services by contract to INK, with which it shares office space.

House Budget Committee Report

Agency: Kansas Technology Enterprise Corporation **Bill No.** HB --

Bill Sec. --

Analyst: Steiner

Analysis Pg. No. Vol. --

Budget Page No. 69.

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	15,779,169	0	12,139,387
Subtotal - Operating	\$ 15,779,169	\$ 0	\$ 12,139,387
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 15,779,169	 \$ 0	 \$ 12,139,387
 FTE Positions	 16.0	 0.0	 16.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	16.0	0.0	16.0

Agency Request

The **agency** requests FY 2010 operating expenditures of \$15,779,169, an increase of \$1,393,727, or 9.7 percent, above the FY 2009 estimate. The request includes seven enhancement packages totaling \$2,342,887. Without the enhancement packages, the request would be a decrease of \$949,160, or 6.6 percent, below the FY 2009 revised estimate.

Governor's Recommendation

The **Governor** recommends the agency be abolished and transfers the programs of the Kansas Technology Enterprise Corporation to the Department of Commerce.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following recommendation:

1. **Restore Funding for KTEC.** Add \$12,139,387, including \$10,494,718 from the Economic Development Initiatives Fund (EDIF), to restore funding for KTEC in FY 2010. The EDIF recommendation contains a 10.0 percent reduction from the agency's FY 2009 approved budget as contained in House Substitute for Substitute for S.B. 23, the current year recision bill.

House Budget Committee Report

Agency: Kansas Water Office **Bill No.** HB --

Bill Sec. --

Analyst: O'Hara

Analysis Pg. No. Vol.---

Budget Page No. 441

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,745,478	\$ 2,025,746	(2,555)
Other Funds	13,636,595	5,044,595	837,053
Subtotal - Operating	\$ 16,382,073	\$ 7,070,341	\$ 834,498
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 16,382,073	\$ 7,070,341	\$ 834,498
FTE Positions	23.5	23.5	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	25.5	25.5	0.0

Agency Request

The **agency** requests a FY 2010 budget of \$16.4 million, including \$2.7 million from the State General Fund, which is a decrease of \$4.5 million, or 21.5 percent, below the revised FY 2009 estimate. Decreases from the revised FY 2009 estimate include one-time expenditures from the State Conservation Storage Water Supply Fund and the Western Water Conservation Projects Fund. The FY 2010 request includes \$8.1 million for enhancement funding, which includes \$448,539 from the State General Fund. Absent the enhancement funding, the FY 2010 request is \$8.3 million, including \$2.3 million from the State General Fund.

Governor's Recommendation

The **Governor** recommends a FY 2010 budget of \$7.1 million, including \$2.0 million from the State General Fund, which is a decrease of \$9.3 million, or 56.8 percent, below the agency's FY 2010 request and a decrease of \$12.8 million, or 64.3 percent, below the Governor's FY 2009 recommendation. The Governor recommends shifting the funding of 3.0 FTE positions currently funded by the State General Fund to being funded by the Water Marketing Fund. In addition, the Governor recommends a further reduction in State General Fund expenditures of \$37,887, which reflects the Governor's recommendation for a moratorium on state contributions to death and disability and state employee health insurance benefits. The Governor recommends a decrease in State Water Plan Fund expenditures by \$1.2 million in FY 2010. The Governor does not recommend any of the agency's enhancement requests.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's FY 2010 recommendation, with the following adjustments:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$41,097, including \$30,632 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$4,325, including \$3,224 from the State General Fund, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Continue the FY 2009 1.25 percent reduction.** Delete \$36,411, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human services caseloads, approved by the 2009 Legislature for FY 2009.
4. **State Water Plan Fund Expenditures.** Add \$825,487, all from the State Water Plan Fund, to fund all but 10.0 percent of the agency's FY 2010 State Water Plan Fund request for the following programs:
 - \$142,500 for the Assessment and Evaluation program;
 - \$47,500 for the GIS Database Development program;
 - \$57,950 for the MOU - Storage Operations and Maintenance program;
 - \$118,735 for the Technical Assistance to Water Users program;
 - \$14,802 for the Water Resource Education program;
 - \$15,200 for the Weather Stations program;
 - \$41,800 for the Weather Modification program;
 - \$57,000 for the Neosho River Basin Issues program; and
 - \$330,000 for the Wichita Aquifer Storage and Recovery (ASR) Project.

State Water Plan Fund

Resource Estimate	FY 2009 Governor Rec.	FY 2009 H Sub Sub SB 23	FY 2010 Agency Req.	FY 2010 Governor Rec.	FY 2010 House Adj.
w/o enhancements					
Beginning Balance	\$ 2,846,479	\$ 2,846,479	\$ -	\$ -	\$ -
Adjustments:					
Released Encumbrances	\$ 1,087,010	\$ 1,087,010	\$ 408,000	\$ 421,709	\$ -
Transfer to the KCC	(320,000)	(320,000)	(400,000)	(288,000)	-
Transfer to the Western Water Cons. Proj. Fund	-	-	-	-	-
Lapse CREP funding	-	-	150,000	-	-
Subtotal - Adjustments	\$ 767,010	\$ 767,010	\$ 158,000	\$ 133,709	\$ -
Receipts:					
State General Fund Transfer	\$ -	\$ 2,000,000	\$ 6,000,000	\$ (16,152)	\$ 5,400,000
EDIF Transfer	3,043,985	2,846,126	2,000,000	2,000,000	-
Water Litigation Suspense Fund Transfer	525,729	525,729	-	-	-
Fee Revenues	16,072,278	16,072,278	12,813,756	12,898,756	-
Pollution Fines and Penalties	-	-	85,000	-	-
Subtotal - Receipts	\$ 19,641,992	\$ 21,444,133	\$ 20,898,756	\$ 14,882,604	\$ 5,400,000
Total Available	\$ 23,255,481	\$ 25,057,622	\$ 21,056,756	\$ 15,016,313	\$ 5,400,000
(Less Expenditures)	(23,255,481)	(25,255,481)	(20,928,478)	(15,016,313)	-
Ending Balance	\$ -	\$ (197,859)	\$ 128,278	\$ -	\$ 5,400,000

History and Purpose

The State Water Plan Fund is a statutory fund (KSA 82a-951) that was created by the 1989 Legislature for the purpose of implementing the State Water Plan (KSA 82a-903). Subject to appropriation acts, the Fund may be used for the establishment and implementation of water related projects or programs and related technical assistance. Funding from the State Water Plan Fund may not be used to replace FTE positions or for recreational projects that do not meet the goals or objectives of the State Water Plan.

Revenue for the State Water Plan Fund is generated by: water protection fees levied on public, industrial, and stock water users; a per ton tax on fertilizer; a registration fee on pesticides; certain fines levied by the Kansas Department of Health and Environment (KDHE); sand royalty receipts; fees paid by public water suppliers; funding from litigation with other states; and annual transfers of \$6.0 million from the State General Fund and \$2.0 million from the Economic Development Initiatives Fund (EDIF).

Revenue Detail

Revenue for the State Water Plan Fund is generated by the following sources:

Municipal Water Fees	\$.03 per 1,000 gallons
Industrial Water Fees	\$.03 per 1,000 gallons
Stockwater Fees	\$.03 per 1,000 gallons
Pesticide Registration Fees	\$100 per pesticide registered
Fertilizer Registration Fees	\$1.40 per ton inspected
Sand Royalty Receipts	\$.15 per ton
 Clean Drinking Water Fee Fund	 \$.03 per 1,000 gallons. Beginning in FY 2008, 101/106 of the Clean Drinking Water Fee receipts will be deposited in the State Water Plan Fund. Of the funding received from the Clean Drinking Water Fee, 85.0 percent is to be used to renovate and protect lakes which are used directly as a source of water for public water supply systems. The remaining 15.0 percent is to be used to provide on-site technical assistance for public water supply systems.
 Pollution Fines and Penalties	 Fines and penalties are levied by the Kansas Department of Health and Environment (KDHE). The amount of revenue provided by pollution fines and penalties depends on the particular incident.
 Water Litigation Proceeds Suspense Fund Transfer	 The transfer includes funds received from Colorado as the result of litigation between Kansas and Colorado regarding the Arkansas River Compact. Approximately \$1.1 million was received by the Kansas Water Office in FY 2006 and placed in the Water Litigation Proceeds Suspense Fund.
 State General Fund Transfer	 KSA 82a-953a provides for the annual transfer of \$6,000,000 from the State General Fund to the State Water Plan Fund.
 Economic Development Initiatives Fund Transfer	 KSA 79-4804(g) provides for the annual transfer of \$2,000,000 from the Economic Development Initiatives Fund (EDIF) to the State Water Plan Fund.

State Water Plan Fund

Programs	FY 2009 Governor Rec.	FY 2009 H Sub Sub SB 23	FY 2010 Agency Req.	FY 2010 Governor Rec.	FY 2010 House Adj.
w/o enhancements					
Department of Health and Environment					
Contamination Remediation	\$ 783,698	\$ 783,698	\$ 804,385	\$ 567,216	\$ -
TMDLs Initiatives	241,590	301,988	301,988	210,780	-
Local Environmental Protection Program	1,202,279	1,502,848	1,502,735	1,066,942	-
Non-Point Source Program	315,430	315,430	299,856	291,241	-
Watershed Restoration and Protection Strategy	600,613	600,613	800,000	481,042	-
<i>Total - KDHE</i>	\$ 3,143,610	\$ 3,504,577	\$ 3,708,964	\$ 2,617,221	\$ -
University of Kansas					
Geological Survey	\$ 32,000	\$ 32,000	\$ 40,000	\$ 28,800	\$ -
Department of Agriculture					
Interstate Water Issues	\$ 466,689	\$ 533,899	\$ 475,181	\$ 337,379	\$ -
Subbasin Water Resources Management	731,290	731,290	761,319	737,536	-
Water Use	48,000	48,000	70,000	49,700	-
<i>Total - KDA</i>	\$ 1,245,979	\$ 1,313,189	\$ 1,306,500	\$ 1,124,615	\$ -
State Conservation Commission					
Water Resources Cost-Share	\$ 3,117,214	\$ 3,574,425	\$ 3,265,972	\$ 2,351,510	\$ 587,865
Non-Point Source Pollution Assistance	3,134,168	3,134,168	3,473,754	2,501,102	625,277
Aid to Conservation Districts	2,264,831	2,264,831	2,255,919	2,255,919	-
Watershed Dam Construction	938,493	938,493	1,055,000	759,600	189,900
Water Quality Buffer Initiative	363,210	363,210	300,000	216,000	54,000
Riparian and Wetland Program	242,598	242,598	251,782	181,283	45,321
Multipurpose Small Lakes	898,541	1,123,176	-	-	-
Water Transition Assistance Program	2,222,962	2,222,962	916,273	81,011	-
Salt Cedar Control Projects	-	-	-	-	-
Conservation Reserve Enhancement Program	1,229,707	1,229,707	-	-	-
Lake Restoration/Management	798,773	998,466	998,466	718,896	179,723
Water Supply Restoration Program	-	-	-	-	-
<i>Total - SCC</i>	\$ 15,210,497	\$ 16,092,036	\$ 12,517,166	\$ 9,065,321	\$ 1,682,086
Kansas Water Office					
Assessment and Evaluation	\$ 720,143	\$ 720,143	\$ 750,000	\$ 532,500	\$ 142,500
GIS Database Development	200,000	250,000	250,000	177,500	47,500
MOU - Storage Operations and Maintenance	241,134	301,418	305,000	216,550	57,950
Technical Assistance to Water Users	632,918	632,918	624,919	443,692	118,735
Water Resource Education	97,200	97,200	77,907	55,314	14,802
Weather Stations	80,000	80,000	80,000	56,800	15,200
Weather Modification	192,000	240,000	220,000	156,200	41,800
Neosho River Basin Issues	768,000	960,000	300,000	213,000	57,000
Wichita ASR Project, Equus Beds Aquifer	660,000	1,000,000	700,000	300,000	330,000
<i>Total - KWO</i>	\$ 3,591,395	\$ 4,281,679	\$ 3,307,826	\$ 2,151,556	\$ 825,487
Department of Wildlife and Parks					
Stream (Biological) Monitoring	\$ 32,000	\$ 32,000	\$ 40,000	\$ 28,800	\$ -
Minimum Pool Agreement (Webster)	-	-	-	-	-
<i>Total - KDWP</i>	\$ 32,000	\$ 32,000	\$ 40,000	\$ 28,800	\$ -
Total State Water Plan Fund Expenditures	\$ 23,255,481	\$ 25,255,481	\$ 20,920,456	\$ 15,016,313	\$ 2,507,573