

Senate Subcommittee Report

Agency: Department of Agriculture

Bill No. H. Sub. for SB 4

Bill Sec. --

Analyst: Skoglund

Analysis Pg. No. 669

Budget Page No. 382

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 9,985,843	\$ 9,693,983	\$ 0
Other Funds	35,398,956	35,241,504	0
Subtotal	\$ 45,384,799	\$ 44,935,487	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 45,384,799	 \$ 44,935,487	 \$ 0
 FTE positions	 142.5	 142.5	 0.0
Non FTE Uncl. Perm. Pos.	215.5	215.5	0.0
TOTAL	358.0	358.0	0.0

Agency Estimate

The **agency** estimates FY 2015 expenditures of \$45.4 million, an increase of \$3.9 million, or 9.5 percent, above the amount approved by the 2014 Legislature. The request includes \$10.0 million from the State General Fund, an increase of \$2,750, or less than 0.1 percent, above the approved amount. The request includes \$10.9 million from the State Water Plan Fund, an increase of \$1.4 million, or 14.5 percent, above the approved amount. The request includes \$570,832 from the Economic Development Initiatives Fund, which is no change from the amount approved by the 2014 Legislature. The increase in all funds is attributable to increases in contractual services, capital outlay, and other assistance, offset slightly by decreases in salaries and wages. The estimate includes 141.5 FTE positions and 216.5 non-FTE positions, a decrease of 134.5 FTE positions and an increase of 14.5 non-FTE positions from the approved amount. This change is due to eliminating positions that had been vacant for an extended period and replacing those positions with unclassified positions.

Governor's Recommendation

The **Governor** recommends FY 2015 expenditures of \$44.9 million, a decrease of \$449,312, or 1.0 percent, below the agency request. The recommendation includes \$991,160 from the State Water Plan Fund, a decrease of \$11,143, or 1.1 percent, below the agency request, and \$564,037 from the Economic Development Initiatives Fund, a decrease of \$6,795,

Senate Ways and Means Committee

Date: 02-17-2015

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or 1.2 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$249,624, including \$92,172 from the State General Fund and \$11,143 from the State Water Plan Fund, as a result of the Governor's December allotment plan reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.
- Reduction of \$199,688, all from the State General Fund, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies in FY 2015.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor's recommendation for FY 2015 with the following adjustments:

1. Delete \$2.5 million, all from special revenue funds, for agency requested increases for operating expenditures in FY 2015.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation as adjusted by House Sub. for SB 4 with the following further adjustments:

1. Add \$2.5 million, all from special revenue funds, for agency requested increases for operating expenditures in FY 2015. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.
2. The Subcommittee notes concern regarding the lack of coordination between the Veterinary Examiners Board and the Department of Agriculture. The Subcommittee further notes concern regarding a lack of efficiencies thus far arising from the trial merger of the Veterinary Examiners Board with the Department of Agriculture.
3. The Subcommittee notes concern regarding two unfilled board positions on the Veterinary Examiners Board.
4. The Subcommittee notes that there may be efficiencies that can be explored in evaluating the current roles and responsibilities of the Executive Director of the Veterinary Examiners Board.
5. The Subcommittee requests a report during Omnibus from the Secretary of Agriculture regarding improvements in coordination with the Veterinary Examiners Board and increased efficiencies in the Veterinary Examiners program.
6. The Subcommittee notes that the Subcommittee had discussions regarding state and federal meat and poultry inspection standards.

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Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 11,018,596	\$ 9,476,718	\$ 0
Other Funds	33,344,252	33,200,073	0
Subtotal	\$ 44,362,848	\$ 42,676,791	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 44,362,848	 \$ 42,676,791	 \$ 0
 FTE positions	 142.5	 142.5	 0.0
Non FTE Uncl. Perm. Pos.	215.5	215.5	0.0
TOTAL	358.0	358.0	0.0

Agency Request

The **agency** requests FY 2016 expenditures of \$44.4 million, a decrease of \$1.0 million, or 2.3 percent, below the FY 2015 request. The request includes \$11.0 million from the State General Fund, an increase of \$1.0 million, or 10.3 percent, above FY 2015. The request includes \$830,497 from the State Water Plan Fund, a decrease of \$171,806, or 17.1 percent, below the FY 2015 request. The request includes \$570,832 from the Economic Development Initiatives Fund, which is no change from the 2015 amount. The all funds decrease is attributable to decreases in contractual services, capital outlay, and other assistance, offset slightly by increases in salaries and wages. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

Governor's Recommendation

The **Governor** recommends FY 2016 expenditures of \$42.7 million, a decrease of \$1.7 million, or 3.8 percent, below the agency request. The recommendation includes \$9.5 million from the State General Fund, a decrease of \$1.5 million, or 14.0 percent, below the agency request; \$8.8 million from the State Water Plan Fund, a decrease of \$7,011, or 0.1 percent, below the agency request; and \$568,818 from the Economic Development Initiatives Fund, a decrease of \$2,014, or 0.4 percent, below the agency request. The Governor concurs with the agency's request with the following adjustments.

- Reduction of \$398,068, all from the State General Fund to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.
- Reduction of \$221,091, including \$76,911 from the State General Fund and \$5,679 from the State Water Plan Fund, to reduce employer contributions for state employee health insurance.
- Reduction of \$1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:

1. The Subcommittee requests the agency submit a zero base budget next session for FY 2016 for use as a pilot program for the budget process.

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Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 11,547,517	\$ 9,966,023	\$ 0
Other Funds	32,833,769	32,685,909	0
Subtotal	\$ 44,381,286	\$ 42,651,932	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 44,381,286	 \$ 42,651,932	 \$ 0
 FTE positions	 142.5	 142.5	 0.0
Non FTE Uncl. Perm. Pos.	215.5	215.5	0.0
TOTAL	358.0	358.0	0.0

Agency Request

The **agency** requests FY 2017 expenditures of \$44.4 million, an increase of \$18,438, or less than 0.1 percent, above the FY 2016 request. The request includes \$11.5 million from the State General Fund, an increase of \$528,921, or 4.8 percent, above the FY 2016 request. The request includes \$729,085 from the State Water Plan Fund, a decrease of \$101,412, or 12.2 percent, below FY 2016. The request includes \$570,832 from the Economic Development Initiatives Fund, which is no change from the 2016 amount. The increase in all funds is largely attributable to increases to salaries and wages for the 27th pay period that occurs in FY 2017 for all state agencies, offset in part by a decrease in contractual services. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

Governor's Recommendation

The **Governor** recommends FY 2017 expenditures of \$42.7 million, a decrease of \$1.7 million, or 3.9 percent, below the agency request. The recommendation includes \$10.0 million from the State General Fund, a decrease of \$1.6 million, or 13.7 percent, below the agency request, \$8.7 million from the State Water Plan Fund, a decrease of \$7,231, or 0.1 percent, below the agency request, and \$568,790 from the Economic Development Initiatives Fund, a decrease of \$2,042, or 0.4 percent, below the agency request. The Governor concurs with the agency's request with the following adjustments.

- Reduction of \$418,541, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Fund agencies for FY 2016.
- Reduction of \$226,832, including \$78,971 from the State General Fund and \$5,872 from the State Water Plan Fund, to reduce employer contributions for state employee health insurance.
- Reduction of \$1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:

1. The Subcommittee notes concern regarding the lack of standalone legislation approving the Conservation Reserve Enhancement Program.
2. Delete language authorizing the Conservation Reserve Enhancement Program for FY 2017.
3. The Subcommittee encourages the Department of Agriculture to introduce legislation to seek authorization for the Conservation Reserve Enhancement Program for FY 2017 and future years.
4. The Subcommittee requests the agency submit a zero base budget next session for FY 2017 for use as a pilot program for the budget process.