

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on January 17, 2008, in Room 514-S of the Capitol.

All members were present except:

- Representative Tom Burroughs - excused
- Representative Pat George - excused
- Representative Tom Sawyer - excused

Committee staff present:

- Alan Conroy, Legislative Research Department
- Reed Holwegner, Legislative Research Department
- Cody Gorges, Legislative Research Department
- Heather O'Hara, Legislative Research Department
- Julian Efird, Legislative Research Department
- Nobuko Folmsbee, Revisor of Statutes
- Nikki Feuerborn, Chief of Staff
- Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

- Steve Irsik, Chairman, Kansas Water Authority (KWA)
- Don Paxson, Chair, Kansas Water Authority Budget Committee
- Tracy Streeter, Secretary, Kansas Water Authority and Director, Kansas Water Office
- Ed Van Petten, Executive Director, Kansas Lottery

Others attending:

See attached list.

- Attachment 1 Overview of Kansas Water Authority
- Attachment 2 Update on the Kansas Lottery
- Attachment 3 Implementation of the Kansas Expanded Lottery Act (KELA) as Created by **SB 66**
- Attachment 4 Interim Study Recommendation from the Joint Committee on Information Technology

Kansas Water Authority

Chairman Schwartz recognized Steve Irsik, Chair, Kansas Water Authority (KWA), who presented an overview of the Kansas Water Authority ([Attachment 1](#)). Because water has become a serious issue, Mr. Irsik stated that the Authority has undertaken a strategic planning initiative, designed to examine, reassess, and prioritize efforts to enhance Kansas' water resources. Mr. Irsik indicated that there are few appropriate sites for additional reservoirs within the State and dams are expensive to build. The need for water is a critical issue and needs to be addressed with long-term solutions.

Don Paxson, Chair, Kansas Water Authority Budget Committee, provided an overview of the budgeting process of the KWA ([Attachment 1](#)). Mr. Paxson noted that their FY 2009 requests closely reflect the priorities as addressed in the FY 2008 approved budget. Mr. Paxson indicated that water issues in the western part of the State are different than in the eastern part of the state. This fact is taken into consideration when addressing the disbursement of funding across the State. The FY 2009 budget request includes \$1 million from the State General Fund (SGF) to assist in funding the Aquifer Storage and Recovery (ASR) project near Wichita in south-central Kansas.

Tracy Streeter, Secretary, Kansas Water Authority and Director, Kansas Water Office, continued the overview of the agency ([Attachment 1](#)). The Kansas Water Authority 2008 Annual Report to the Governor and Legislature was distributed to the Committee ([copy available from the Kansas Water Office, 901 S. Kansas Avenue, Topeka, KS 66612](#)). Mr. Streeter stated that the sedimentation in the reservoirs across the State and surface water management are of major concern. At this time, the Neosho River Basin is of top priority. Due to sedimentation, possible continuation of drought conditions and the continued increase in the demand for water, it is anticipated that the water supply

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in the Neosho River Basin will be exhausted by 2012. Mr. Streeter indicated that the agency is working to address the issue before it becomes a critical situation.

With reference to the Conservation Reserve Enhancement Program (CREP) as authorized by the Legislature, Mr. Streeter indicated that the funding for this program was authorized for one year, resulting in the need for authorization on a yearly basis. A large number of applications of enrollees into the program were received; however, limitations set in statute state that 2 acres of Conservation Reserve Program (CRP) land must be retired for each acre approved for the CREP program. This limitation has resulted in a reduced amount of federal funding that can be secured for the participants in the program.

Mr. Streeter noted that the following items are being presented for legislative consideration during the 2008 Session:

- Re-appropriate all uncommitted FY 2008 CREP funds to FY 2009.
- Include authorization to implement CREP.
- Remove the limitation requiring 2 acres of existing CRP lands to expire from contract before enrolling 1 acre into CREP.
- Consider removing the provision limiting CREP enrollment in any one county to 25 percent of the total acreage in the CREP program.

Kansas Lottery

Chair Schwartz recognized Ed Van Petten, Executive Director, Kansas Lottery, who presented an update on the Kansas Lottery ([Attachment 2](#)).

Mr. Van Petten explained that with the implementation of **SB 66**, the Kansas Lottery was charged with developing an application process within 30 days. The application was developed and published and contained a statement directing that the legislation requires an endorsement of the local government to be attached to the application or a statement of when endorsement would be available. However, when the policy for the implementation was developed and published, the endorsement requirement was omitted. The mistake caused some concern; however, it has been corrected at this time.

Keith Kocher, Director of Gaming Facilities, Kansas Lottery, reported on the Kansas Lottery Implementation of the Kansas Expanded Lottery Act (KELA) as Created by **SB 66** ([Attachment 3](#)). Mr. Kocher stated that 13 applications for casinos within the State have been received; however, only 1 casino can be approved in each of the four zones. Responding to a question from the Committee, Mr. Kocher stated that the statute stipulates, with respect to the Lottery, that endorsement by the local governing body is required but does not allow for local citizen input.

Julian Efird, Legislative Research Department, explained the recommendation adopted by the Joint Committee on Information Technology regarding the Kansas Lottery and implementation of the Expanded Lottery Act ([Attachment 4](#)).

The meeting was adjourned at 10:25 a.m. The next meeting of the Committee will be held on January 23, 2008.

Sharon Schwartz, Chair