

FY 2018 and FY 2019

Agriculture and Natural Resources Budget Committee

Kansas Department of Commerce
Kansas Corporation Commission
Kansas Department of Health and Environment – Division of Environment



Representative Don Schroeder, Chair



Representative Lonnie Clark



Representative Larry Hibbard, Vice-Chair



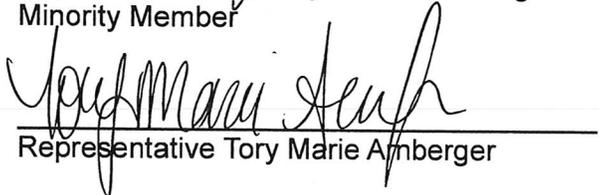
Representative Jim Gartner



Representative Sydney Carlin, Ranking
Minority Member



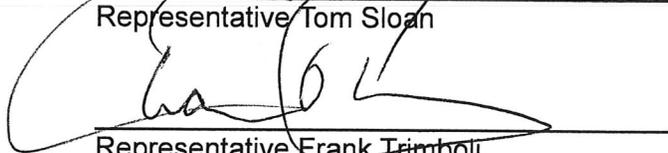
Representative Jarrod Cusley



Representative Tory Marie Amberger



Representative Tom Sloan



Representative Frank Trimboli

House Budget Committee Report

Agency: Kansas Department of Commerce **Bill No.** 2468

Bill Sec. 47

Analyst: Mariani

Analysis Pg. No. 360

Budget Page No. 76

Expenditure Summary	Agency Estimate FY 2018	Governor Recommendation FY 2018	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,306,463	\$ 4,218,225	\$ 0
Other Funds	94,712,471	92,631,005	0
Subtotal	\$ 101,018,934	\$ 96,849,230	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	210,000	210,000	0
Subtotal	\$ 210,000	\$ 210,000	\$ 0
TOTAL	\$ 101,228,934	\$ 97,059,230	\$ 0
FTE positions	277.2	277.2	0.0

Agency Estimate

The **agency** requests a revised estimate for FY 2018 operating expenditures of \$101.2 million, including \$6.3 million from the State General Fund and \$12.1 million from the Economic Development Initiatives Fund (EDIF). The State General Fund and EDIF estimates are the same as the approved amount. The all funds estimate is a decrease of \$5,680, or less than 0.1 percent, below the approved amount. The request includes a \$3.5 million State General Fund reappropriation of money that was not spent in FY 2017 and shifted to FY 2018 for Kansas Bioscience Authority commitments that transferred to the Department of Commerce in FY 2017. The request also includes \$1.1 million of reappropriated EDIF money for use in the agency operating grant.

The agency requests capital improvement expenditures of \$210,000, all from special revenue funds, which is the same as the amount approved by the 2017 Legislature.

The budget includes 277.2 FTE positions, which is the same as the number approved by the 2017 Legislature.

Governor's Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$97.1 million, including \$4.2 million from the State General Fund and \$10.7 million from the EDIF. The recommendation reduces \$1.0 million in expenditures for the Rural Opportunity Zones (ROZ) program, including \$375,000 from the EDIF for the state share, and \$665,156 from the Reimbursement and

Recovery Fund for the county share. The recommendation is expected to fully fund the projected state obligations for student loan forgiveness payments for the ROZ program. These adjustments allow for a lapse of \$1.0 million of the reappropriated EDIF and increases the EDIF transfer to the State General Fund by \$930,000 in FY 2018. The recommendation also includes a decrease of \$2.1 million, all from the State General Fund, due to lower Kansas Bioscience Authority grant commitments in FY 2018. The agency indicates it continues to review grant commitments to determine if payouts still need to be made when benchmarks are not being met or are delayed.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2018.

House Budget Committee Report

Agency: Kansas Department of Commerce **Bill No.** 2468

Bill Sec. 48

Analyst: Mariani

Analysis Pg. No. 360

Budget Page No. --

Expenditure Summary	Agency Request FY 2019	Governor Recommendation FY 2019	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 557,000	\$ 557,000	\$ 0
Other Funds	93,090,738	92,480,738	0
Subtotal	\$ 93,647,738	\$ 93,037,738	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	215,000	215,000	0
Subtotal	\$ 215,000	\$ 215,000	\$ 0
 TOTAL	 \$ 93,862,738	 \$ 93,252,738	 \$ 0
 FTE positions	 277.2	 277.2	 0.0

Agency Request

The **agency** requests a revised estimate for FY 2019 operating expenditures of \$93.6 million, including \$557,000 from the State General Fund and \$11.0 million from the EDIF. The estimate is an all funds decrease of \$1.4 million, or 1.5 percent, below the amount approved by the 2017 Legislature, largely due to an anticipated decrease in the Community Development Block Grant offset partially by an increase in other federal funds. The State General Fund estimate is the same as the approved amount. The EDIF estimate is an increase of \$48,372, or 0.4 percent, above the approved amount, mostly attributable to an increase in the agency operating grant.

The agency requests capital improvement expenditures of \$215,000, all from special revenue funds, which is the same as the amount approved by the 2017 Legislature.

The budget includes 277.2 FTE positions, which is the same as the number approved by the 2017 Legislature.

Governor's Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$93.3 million, including \$557,000 from the State General Fund, and \$11.2 million from the EDIF. The recommendation is an all funds decrease of \$2.0 million, or 2.2 percent, below from the approved amount and an all decrease of \$610,000 below the agency request. The State General Fund is the same as the approved amount and the EDIF is an increase of \$243,372, or 2.5 percent, above the approved

amount. The recommendation reduces \$1.6 million in expenditures for the ROZ program, including \$805,000 from the EDIF for the state share, and \$805,000 from the Reimbursement and Recovery Fund for the county share. The recommendation is expected to fully fund the projected state obligations for student loan forgiveness payments for the ROZ program. The recommendation also adds \$1.0 million from the EDIF to increase the number of registered apprenticeships across the state. The agency indicates this funding will support approximately 500 additional apprentices. The agency anticipates that participation in the program will result in better skills and higher wages.

House Budget Committee Recommendation

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

1. Add \$260,000, all from the Economic Development Initiatives Fund, to the Older Kansans Employment Program (OKEP) for total program expenditures of \$502,540 for FY 2019. The Committee notes that for every \$1.00 expenditure on OKEP, \$3.02 of income and sales tax were returned to the state.
2. Delete \$260,000, all from Economic Development Initiatives Fund, in the Registered Apprenticeship Program for total program expenditures of \$740,000 for FY 2019.
3. Add \$77,000, all from the Economic Development Initiatives Fund, to the Kansas International Trade Show Assistance Program for total program expenditures of \$150,000 for FY 2019. The Committee notes that for fiscal year 2018, the return on investment for every \$1.00 expenditure in trade show assistance was \$11.65.
4. Delete \$77,000, all from the Economic Development Initiatives Fund, in the agency Operating Grant for total expenditures of \$7,524,685 for FY 2019.

Senate Subcommittee Report

Agency: Kansas Corporation Commission **Bill No.** SB 269

Bill Sec. --

Analyst: Kapusta-Pofahl

Analysis Pg. No. 435

Budget Page No. 46

Expenditure Summary	Agency Estimate FY 2018	Governor Recommendation FY 2018	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	21,549,537	21,549,537	0
Subtotal	\$ 21,549,537	\$ 21,549,537	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 21,549,537	 \$ 21,549,537	 \$ 0
 FTE positions	 204.5	 204.5	 0.0

Agency Estimate

The **agency** requests a revised estimate of \$21.5 million, all from special revenue funds, in FY 2018. This request is a decrease of \$1.1 million, or 4.9 percent, below the approved amount. The decrease is attributable to reduced expenditures for salaries and wages in the Conservation Division due to a reduction in revenue caused by the downturn in oil and gas production. The agency also requests a policy change, which would temporarily suspend the semi-annual transfer from the Motor Carrier License Fees Fund to the the State Highway Fund in FY 2018. This request is due to a reduction in the amount of Uniform Carrier Registration revenue that is being received into the Motor Carrier License Fees Fund. The agency request includes 204.5 FTE positions, which is the same as the approved number.

Governor's Recommendation

The **Governor** concurs with the agency's revised FY 2018 estimate, but does not recommend the agency's requested policy change.

Senate Subcommittee Recommendation

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

Senate Committee Recommendation

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

House Budget Committee Report

Agency: Kansas Corporation Commission **Bill No.** HB 2468 **Bill Sec.** --
Analyst: Kapusta-Pofahl **Analysis Pg. No.** 435 **Budget Page No.** 46

Expenditure Summary	Agency Estimate FY 2018	Governor Recommendation FY 2018	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	21,549,537	21,549,537	0
Subtotal	<u>\$ 21,549,537</u>	<u>\$ 21,549,537</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 21,549,537</u>	 <u>\$ 21,549,537</u>	 <u>\$ 0</u>
 FTE positions	 <u>204.5</u>	 <u>204.5</u>	 <u>0.0</u>

Agency Estimate

The **agency** requests a revised estimate of \$21.5 million, all from special revenue funds, in FY 2018. This request is a decrease of \$1.1 million, or 4.9 percent, below the approved amount. The decrease is attributable to reduced expenditures for salaries and wages in the Conservation Division due to a reduction in revenue caused by the downturn in oil and gas production. The agency also requests a policy change, which would temporarily suspend the semi-annual transfer from the Motor Carrier License Fees Fund to the the State Highway Fund in FY 2018. This request is due to a reduction in the amount of Uniform Carrier Registration revenue that is being received into the Motor Carrier License Fees Fund. The agency request includes 204.5 FTE positions, which is the same as the approved number.

Governor's Recommendation

The **Governor** concurs with the agency's revised FY 2018 estimate, but does not recommend the agency's requested policy change.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2018.

Senate Subcommittee Report

Agency: Kansas Corporation Commission **Bill No.** SB 269

Bill Sec. --

Analyst: Kapusta-Pofahl

Analysis Pg. No. 435

Budget Page No. 46

Expenditure Summary	Agency Request FY 2019	Governor Recommendation FY 2019	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	21,277,334	21,277,334	0
Subtotal	\$ 21,277,334	\$ 21,277,334	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 21,277,334	\$ 21,277,334	\$ 0
FTE positions	204.5	204.5	0.0

Agency Request

The **agency** requests a revised estimate of \$21.3 million, all from special revenue funds, for FY 2019. This request is a decrease of \$1.7 million, or 7.2 percent, below the approved amount. The decrease is primarily attributable to reduced expenditures for salaries and wages in the Conservation Division due to agency-anticipated reductions in revenue caused by declining oil and gas production in Kansas. The agency also requests a policy change, which would temporarily suspend the semi-annual transfer from the Motor Carrier License Fees Fund to the State Highway Fund for FY 2019. This request is due to a reduction in the amount of Uniform Carrier Registration revenue that is being received into the Motor Carrier License Fees Fund. The agency request includes 204.5 FTE positions, which is the same as the approved number.

Governor's Recommendation

The **Governor** concurs with the agency's revised FY 2019 estimate, but does not recommend the agency's requested policy change.

Senate Subcommittee Recommendations

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

Senate Committee Recommendation

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

House Budget Committee Report

Agency: Kansas Corporation Commission **Bill No.** HB 2468 **Bill Sec.** --

Analyst: Kapusta-Pofahl **Analysis Pg. No.** 435 **Budget Page No.** 46

Expenditure Summary	Agency Request FY 2019	Governor Recommendation FY 2019	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	21,277,334	21,277,334	0
Subtotal	<u>\$ 21,277,334</u>	<u>\$ 21,277,334</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 21,277,334</u>	 <u>\$ 21,277,334</u>	 <u>\$ 0</u>
 FTE positions	 <u>204.5</u>	 <u>204.5</u>	 <u>0.0</u>

Agency Request

The **agency** requests a revised estimate of \$21.3 million, all from special revenue funds, for FY 2019. This request is a decrease of \$1.7 million, or 7.2 percent, below the approved amount. The decrease is primarily attributable to reduced expenditures for salaries and wages in the Conservation Division due to agency-anticipated reductions in revenue caused by declining oil and gas production in Kansas. The agency also requests a policy change, which would temporarily suspend the semi-annual transfer from the Motor Carrier License Fees Fund to the State Highway Fund for FY 2019. This request is due to a reduction in the amount of Uniform Carrier Registration revenue that is being received into the Motor Carrier License Fees Fund. The agency request includes 204.5 FTE positions, which is the same as the approved number.

Governor's Recommendation

The **Governor** concurs with the agency's revised FY 2019 estimate, but does not recommend the agency's requested policy change.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2019.

House Budget Committee Report

Agency: Kansas Department of Health and Environment – Division of Environment **Bill No.** HB 2468

Bill Sec. --

Analyst: Kapusta-Pofahl

Analysis Pg. No. 75

Budget Page No. 264

Expenditure Summary	Agency Estimate FY 2018	Governor Recommendation FY 2018	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,091,331	\$ 4,091,331	\$ 0
Other Funds	67,086,054	67,086,054	0
Subtotal	<u>\$ 71,177,385</u>	<u>\$ 71,177,385</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 71,177,385</u>	 <u>\$ 71,177,385</u>	 <u>\$ 0</u>
 FTE positions	 <u>426.1</u>	 <u>426.1</u>	 <u>0.0</u>

Agency Estimate

The **agency** requests \$71.2 million, including \$4.1 million from the State General Fund and \$441,327 from the State Water Plan Fund, for the Environment program in FY 2018. This is an increase of \$10.1 million, or 14.2 percent, above the approved amount. This amount includes \$80,774 in reappropriations from the State General Fund and \$75,456 from the State Water Plan Fund. The agency estimates \$441,327 in expenditures from the State Water Plan Fund, in addition to a reappropriation of \$75,456. The increase is due to increased expenditures on waste tire and solid waste disposal grants, as well as underground storage tank and dry-cleaner contamination remediation projects.

Governor's Recommendation

The **Governor** concurs with the agency's revised estimate in FY 2018.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2018.

House Budget Committee Report

Agency: Kansas Department of Health and Environment – Division of Environment **Bill No.** HB 2468

Bill Sec. --

Analyst: Kapusta-Pofahl

Analysis Pg. No. 75

Budget Page No. 264

Expenditure Summary	Agency Request FY 2019	Governor Recommendation FY 2019	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,049,476	\$ 4,049,476	\$ 0
Other Funds	63,983,830	63,983,830	0
Subtotal	<u>\$ 68,033,306</u>	<u>\$ 68,033,306</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 68,033,306</u></u>	<u><u>\$ 68,033,306</u></u>	<u><u>\$ 0</u></u>
FTE positions	<u><u>426.1</u></u>	<u><u>426.1</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests \$68.0 million, including \$4.0 million from the State General Fund and \$586,387 from the State Water Plan Fund, for the Environment program for FY 2019. This is an increase of \$6.6 million, or 9.7 percent, above the approved amount. The increase is largely due to increased expenditures on grants for solid waste and waste tire disposal, and expenditures to complete underground storage tank and dry-cleaner contamination remediation projects.

Governor's Recommendation

The **Governor** concurs with the agency's revised estimate for FY 2019.

House Budget Committee

The **Budget Committee** concurs with the Governor's recommendation for FY 2019.