

DEPARTMENT OF AGRICULTURE

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Operating Expenditures:					
State General Fund	\$ 10,101,874	\$ 9,833,420	\$ 9,413,242	\$ 9,906,839	\$ 8,916,155
Other Funds	41,675,317	46,018,435	47,948,977	41,617,927	39,839,151
<i>Subtotal</i>	<i>\$ 51,777,191</i>	<i>\$ 55,851,855</i>	<i>\$ 57,362,219</i>	<i>\$ 51,524,766</i>	<i>\$ 48,755,306</i>
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 51,777,191	\$ 55,851,855	\$ 57,362,219	\$ 51,524,766	\$ 48,755,306
Percentage Change:					
Operating Expenditures					
State General Fund	2.5 %	(2.7) %	(6.8) %	0.7 %	(5.3) %
All Funds	2.9	7.9	10.8	(7.7)	(15.0)
FTE Positions	318.8	343.1	343.6	342.1	342.1

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Department of Agriculture is responsible for implementing food safety, consumer and environmental protection, and water resource allocation programs. This includes the assurance of a safe meat, milk, and egg supply; safety of the food supply through inspection at food processing and retail establishments; the responsible and judicious use of pesticides and nutrients; the protection of Kansas' natural and cultivated plants; the integrity of weighing and measuring devices in commerce; and that the waters of Kansas are put to beneficial use. The agency consists of 15 programs under six main categories: Administration; Agribusiness Services (Meat and Poultry, Food Safety, Dairy and Agricultural Commodities Assurance program, Weights and Measures, Grain Warehouse, Agricultural Laboratories, Plant Protection and Seed, Pesticide and Fertilizer); Water Resources (Water Management, Water Appropriations, Water Structures); Animal Health; Conservation; and Agriculture Marketing. The Secretary of Agriculture is a gubernatorial appointee and serves as head of the agency.

MAJOR ISSUES FROM PRIOR YEARS

The **2011 Legislature** approved Executive Reorganization Order No. 40, which transferred the Agriculture Products Development Division within the Department of Commerce

to the Department of Agriculture and renamed it the Marketing and Promotions program, consolidated the Kansas Animal Health Department and the Livestock Commissioner within the Department of Agriculture as the Animal Health Division, and consolidated the State Conservation Commission within the Department of Agriculture as the Conservation Division.

The **2011 Legislature** also added \$1.0 million, all from special revenue funds, for replacement vehicles, grain warehouse inspections, the Conservation Reserve Enhancement program, streamgage monitoring, livestock market reporting, nonpoint source pollution, aid to conservation districts, the Compliance Education Fee Fund, and feral swine eradication. Those increases were partially offset by reductions totaling \$826,891, including \$227,025 from the State General Fund (SGF), for the Water Supply Restoration program, self-funded longevity bonus payments, office supplies, cellphone expenditures, a 5.0 percent information technology reduction, an administration activities reduction, a death and disability contribution moratorium, and an across-the-board reduction.

The **2012 Legislature** added \$468,983 and 6.0 FTE positions to restore funding and positions that were deleted for savings from the Voluntary Retirement Incentive Program for FY 2013. The 2012 Legislature also approved the addition of \$465,907, all from special revenue funds, and restored 3.0 FTE positions deleted by the Governor to the Division of Water Resources for FY 2013 to assist in the processing of water appropriation applications. The approved budget also shifted \$672,281, all from the State Water Plan Fund, from water rights purchased to the Water Transition Assistance program and Conservation Enhancement program for FY 2013.

The **2013 Legislature** added language to allow the agency to transfer funds between line items in the State Water Plan Fund appropriation with approval from the State Finance Council for FY 2014 and FY 2015.

The **2014 Legislature** added \$321,114, all from the Veterinary Examiners Fee Fund, and 4.0 FTE positions to consolidate the Board of Veterinary Examiners into the agency in accordance with 2014 SB 278 for FY 2015.

The **2014 Legislature** also added \$210,000, including \$160,000 SGF and \$50,000 from the State Water Plan Fund, to fund wheat genetics research at the Kansas Wheat Innovation Center, and directed the agency to utilize State Water Plan Fund moneys for expenditures other than salaries and wages for FY 2015.

The **2014 Legislature** also deleted \$160,000, all SGF, from supplemental funding for the Weights and Measures program for FY 2015 and \$50,000, all from the State Water Plan Fund, for streambank stabilization projects for FY 2015.

The **2015 Legislature** added language requiring the Department of Agriculture to submit a zero-base budget request for use as a pilot program for the budget process.

The **2015 Legislature** also added \$500,000, all from the Economic Development Initiatives Fund, for the Agriculture Marketing program for FY 2017. The Legislature also deleted the funding for and language authorizing the Conservation Reserve Enhancement Program for FY 2017.

The **2016 Legislature** authorized the Conservation Reserve Enhancement Program for FY 2017, funded by carry-forward expenditures from the State Water Plan Fund. Additionally, the temporary merger between the Kansas Department of Agriculture and the Board of Veterinary Examiners expired, and the Board became a separate agency again, effective FY 2017.

Additionally, the **Governor's May 2016 allotment** deleted \$395,775, all SGF, for FY 2017.

The **2017 Legislature** added \$60,000, all from special revenue funds, for the acquisition of a Quattro Micro Analyzer and a Bentley Somatic Cell Counter for FY 2018 and FY 2019.

The **2018 Legislature** added \$250,000, all SGF, for an animal traceability pilot project for FY 2019 and added \$77,868, all from the SGF, for an animal facilities inspector for FY 2019.

The **2018 Legislature** also added \$850,000, all from the State Water Plan Fund, for water-related projects, including sorghum (\$150,000) and hemp (\$100,000) crop research, streambank stabilization (\$500,000), and irrigation technology adoption (\$100,000) for FY 2019.

Additionally, the **2018 Legislature** passed SB 63, which created the Alternative Crop Research Act and authorized the growth, processing, and distribution of industrial hemp for research purposes.

The **2019 Legislature** deleted \$162,972 from the Water Resources Cost-Share account of the State Water Plan Fund and added the same amount to the Conservation Reserve Enhancement Program account of the State Water Plan Fund for contracts for FY 2019. The Legislature added \$500,000, all SGF, for the Kansas State University IT Cloud move (\$150,000), CattleTrace (animal traceability) (\$250,000), and the water appropriations program (\$100,000) for FY 2020. The Legislature also added \$800,000, all from the State Water Plan Fund, for aid to conservation districts (\$100,000), crop and livestock water research (\$100,000), the Water Right Transition Assistance Program/Conservation Reserve Enhancement Program (\$100,000), and conservation best management practices (\$500,000) for FY 2020.

Additionally, the **2019 Legislature** passed Senate Sub. for HB 2167, which requires the Department of Agriculture to submit a plan to the federal U.S. Department of Agriculture regarding how the state Department of Agriculture will monitor and regulate the commercial production of industrial hemp within Kansas, in accordance with federal law.

The **2020 Legislature** added \$1.2 million, all from the State Water Plan Fund, for aid to conservation districts (\$150,000), the water resources cost-share program (\$250,000), watershed dam construction (\$200,000), streambank stabilization (\$250,000), and the Conservation Reserve Enhancement Program (\$397,699) for FY 2021.

BUDGET SUMMARY AND KEY POINTS

FY 2021 – Current Year. The agency requests revised FY 2021 expenditures of \$55.9 million, including \$9.8 million from the State General Fund (SGF). This is an all funds increase of \$3.6 million, or 6.9 percent, and an SGF decrease of \$464, or less than 0.1 percent, from the FY 2021 approved amount. The revised estimate includes reappropriations of \$2.8 million from the State Water Plan Fund. The SGF decrease is due to reimbursement of SGF expenditures for Coronavirus related expenditures in FY 2020 and reimbursed from the federal Coronavirus Relief Fund. The all funds increase is due to increased expenditures in salaries and wages, contractual services, commodities, capital outlay, and other assistance. The revised estimate includes the Governor's proposed allotment plan to decrease the agency's State Water Plan Fund expenditures by \$1.2 million in FY 2021. This proposed allotment plan requires legislative approval. The revised estimate includes 343.1 FTE positions, which is an increase of 32.4 FTE positions above the approved number. This increase is due to vacant positions not being previously included in the approved number.

The **Governor** recommends FY 2021 expenditures of \$57.4 million, including \$9.4 million SGF. This is an all funds increase of \$1.5 million, or 2.7 percent, and an SGF decrease of \$420,178, or 4.3 percent, from the agency's FY 2021 revised estimate. The all funds increase is due to increased expenditures from the agency's Coronavirus Relief Fund moneys due to the administration and funding for the Food Stability Assistance program being transferred from the Department of Commerce to the Department of Agriculture. This increase is partially offset by a decrease in salaries and wages expenditures due to the application of a 5.0 percent salaries and wages shrinkage rate. The SGF decrease is also due to the application of a 5.0 percent shrinkage rate.

FY 2022 – Budget Year. The agency requests FY 2022 expenditures of \$51.5 million, including \$9.9 million SGF. This is an all funds decrease of \$4.3 million, or 7.7 percent, and an SGF increase of \$73,419, or 0.7 percent, from the FY 2021 revised estimate. The SGF increase is due to increased employer contributions to the Kansas Public Employees Retirement System (KPERs) and group health insurance. The all funds decrease is due to decreased expenditures for streambank stabilization, interstate water issues, the water quality buffer initiative, and basin management, which were higher in FY 2021 due to State Water Plan Fund reappropriations as well as decreased federal funds. The all funds decrease is also due to one-time expenditures for personal protective equipment and four flowmeters in FY 2021 that are not occurring in FY 2022 and decreased expenditures on laboratory equipment and vehicles

The **Governor** recommends FY 2022 expenditures of \$48.8 million, including \$8.9 million SGF. This is an all funds decrease of \$2.8 million, or 5.4 percent, and an SGF decrease of \$990,684, or 10.0 percent, below the agency's FY 2022 request. The SGF decrease is due to the Governor recommending the implementation of the agency's reduced resources budget. The all funds decrease is due to the reduced resources budget, the Governor not recommending the agency's enhancement requests, and the application of a 5.0 percent salaries and wages shrinkage rate.

PERFORMANCE MEASURES

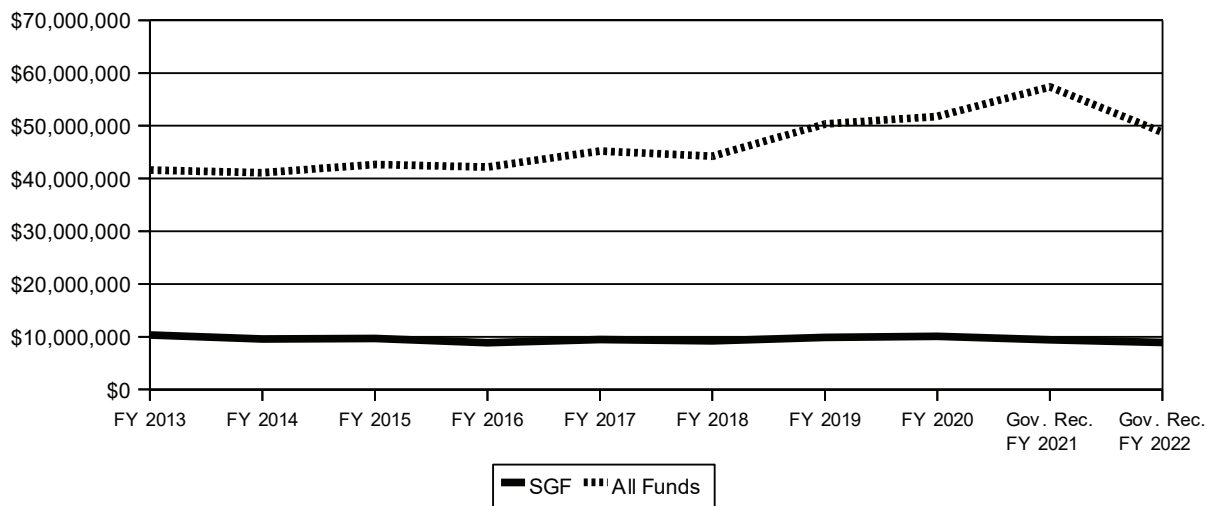
The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percent of Completed Dam Permits Processed within Established Time Frame	76.0 %	82.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Kansas Food Establishments Inspected Annually	93.3 %	92.3 %	97.5 %	96.3 %	97.5 %	97.5 %
Percent of Licensed Warehouses Inspected Annually	73.0 %	98.0 %	100.0 %	92.0 %	97.5 %	97.5 %
Percent of Pesticide/Fertilizer Field Inspections Completed within Established Time Frames	98.0 %	97.0 %	95.0 %	93.0 %	95.0 %	95.0 %
Percent of Kansas Livestock Markets Inspected per Six-month Period	95.0 %	95.3 %	100.0 %	96.0 %	100.0 %	100.0 %
Percent of Total Number of Streambanks Designated for Protection Completed per Fiscal Year	80.0 %	15.0 %	85.0 %	25.0 %	75.0 %	100.0 %
Annual Percent Growth in Kansas Dairy Industry	6.7 %	2.0 %	6.0 %	2.0 %	2.3 %	2.5 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 44.2	\$ 50.3	\$ 55.4	\$ 51.8	\$ 57.4	\$ 48.8
FTE Positions	329.1	310.0	313.7	318.8	343.6	342.1

Staff note: Only 15.0 percent of streambank stabilization projects were completed in FY 2019 due to weather conditions

BUDGET TRENDS

OPERATING EXPENDITURES FY 2013 – FY 2022



OPERATING EXPENDITURES FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 10,309,478	1.6 %	\$ 41,602,901	1.9 %	354.7
2014	9,582,162	(7.1)	41,101,813	(1.2)	357.5
2015	9,693,976	1.2	42,664,762	3.8	319.5
2016	8,851,362	(8.7)	42,166,800	(1.2)	323.5
2017	9,487,162	7.2	45,205,556	7.2	317.5
2018	9,202,853	(3.0)	44,220,487	(2.2)	329.1
2019	9,856,098	7.1	50,322,069	13.8	310.0
2020	10,101,874	2.5	51,777,191	2.9	318.8
2021 Gov. Rec.	9,413,242	(6.8)	57,362,219	10.8	343.6
2022 Gov. Rec.	8,916,155	(5.3)	48,755,306	(15.0)	342.1
Ten-Year Change Dollars/Percent	\$ (1,393,323)	(13.5)%	\$ 7,152,405	17.2 %	(12.6)

Summary of Operating Budget FY 2020 - FY 2022

	Actual FY 2020	Agency Estimate			Governor's Recommendation				
		Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
By Program:									
Administration	\$ 5,932,669	\$ 6,223,177	\$ 6,216,854	\$ (6,323)	(0.1)%	\$ 8,837,254	\$ 5,940,514	\$ (2,896,740)	(32.8)%
Agribusiness Services	15,775,428	16,159,683	16,906,611	746,928	4.6	15,531,166	16,113,826	582,660	3.8
Water Resources	15,210,017	12,371,732	11,268,567	(1,103,165)	(8.9)	12,080,912	10,956,570	(1,124,342)	(9.3)
Animal Health	2,771,705	3,224,940	3,081,335	(143,605)	(4.5)	3,144,544	3,002,744	(141,800)	(4.5)
Conservation	9,861,055	15,075,654	11,490,498	(3,585,156)	(23.8)	15,035,180	10,548,848	(4,486,332)	(29.8)
Agriculture Marketing	2,226,317	2,796,669	2,560,901	(235,768)	(8.4)	2,733,163	2,192,804	(540,359)	(19.8)
TOTAL	\$ 51,777,191	\$ 55,851,855	\$ 51,524,766	\$ (4,327,089)	(7.7)%	\$ 57,362,219	\$ 48,755,306	\$ (8,606,913)	(15.0)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 23,153,776	\$ 25,161,805	\$ 25,491,854	\$ 330,049	1.3%	\$ 23,903,712	\$ 23,936,303	\$ 32,591	0.1%
Contractual Services	18,914,186	16,706,232	15,499,418	(1,206,814)	(7.2)	16,706,232	15,014,418	(1,691,814)	(10.1)
Commodities	706,562	984,162	896,406	(87,756)	(8.9)	984,162	896,406	(87,756)	(8.9)
Capital Outlay	1,212,510	1,167,195	833,741	(333,454)	(28.6)	1,167,195	779,832	(387,363)	(33.2)
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 43,987,034</i>	<i>\$ 44,019,394</i>	<i>\$ 42,721,419</i>	<i>\$ (1,297,975)</i>	<i>(2.9)%</i>	<i>\$ 42,761,301</i>	<i>\$ 40,626,959</i>	<i>\$ (2,134,342)</i>	<i>(5.0)%</i>
Aid to Local Units	2,192,637	2,192,637	1,973,373	(219,264)	(10.0)	2,192,637	1,973,373	(219,264)	(10.0)
Other Assistance	5,597,520	9,639,824	6,829,974	(2,809,850)	(29.1)	12,408,281	6,154,974	(6,253,307)	(50.4)
TOTAL	\$ 51,777,191	\$ 55,851,855	\$ 51,524,766	\$ (4,327,089)	(7.7)%	\$ 57,362,219	\$ 48,755,306	\$ (8,606,913)	(15.0)%
Financing:									
State General Fund	\$ 10,101,874	\$ 9,833,420	\$ 9,906,839	\$ 73,419	0.7%	\$ 9,413,242	\$ 8,916,155	\$ (497,087)	(5.3)%
State Water Plan Fund	9,186,644	13,424,071	10,526,388	(2,897,683)	(21.6)	13,370,838	9,549,535	(3,821,303)	(28.6)
Economic Development Initiatives Fund	771,549	1,035,436	1,035,436	0	0.0	983,664	983,664	0	0.0
Federal Funds	14,198,485	11,299,997	9,949,135	(1,350,862)	(12.0)	13,901,943	9,782,178	(4,119,765)	(29.6)
All Other Funds	17,518,639	20,258,931	20,106,968	(151,963)	(0.8)	19,692,532	19,523,774	(168,758)	(0.9)
TOTAL	\$ 51,777,191	\$ 55,851,855	\$ 51,524,766	\$ (4,327,089)	(7.7)%	\$ 57,362,219	\$ 48,755,306	\$ (8,606,913)	(15.0)%

BUDGET OVERVIEW

A. FY 2021 – Current Year

Adjustments to Approved State General Fund Budget

The 2020 Legislature approved a State General Fund (SGF) budget of \$9.9 million for the Department of Agriculture in FY 2021. Several adjustments have been made subsequently to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made:

- An increase of \$3,640, based on the reappropriation of FY 2020 funding that was not spent in FY 2020 and has shifted to FY 2021;
- A decrease of \$60,328 as the result of the Governor's July 1, 2020 State General Fund allotment; and
- An increase of \$464, based on the reimbursement of SGF expenditures in FY 2020 for COVID-19-related expenditures and reimbursed from the federal Coronavirus Relief Fund as approved by the State Finance Council on June 16, 2020, resulting in reappropriation of funding that was not spent in FY 2020 and has shifted into FY 2021.

These adjustments change the FY 2021 approved SGF amount to \$9.9 million. That amount is reflected in the table below as the currently approved FY 2021 SGF amount.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 9,833,884	\$ 9,833,420	\$ (464)	\$ 9,413,242	\$ (420,642)
All Other Funds	42,362,194	46,018,435	3,656,241	47,948,977	5,586,783
TOTAL	\$ 52,196,078	\$ 55,851,855	\$ 3,655,777	\$ 57,362,219	\$ 5,166,141
FTE Positions	310.7	343.1	32.4	343.6	32.9

The **agency** estimates revised FY 2021 expenditures of \$55.9 million, including \$9.8 million SGF. This is an all funds increase of \$3.7 million, or 7.0 percent, and an SGF decrease of \$464, or less than 0.1 percent, from the FY 2021 approved amount. The revised estimate includes reappropriations of \$2.8 million from the State Water Plan Fund. The SGF decrease is due to reimbursement of SGF expenditures for Coronavirus related expenditures in FY 2020 and reimbursed from the Coronavirus Relief Fund. The all funds increase is due to increased expenditures in salaries and wages, contractual services, commodities, capital outlay, and other assistance. The revised estimate includes the Governor's proposed allotment plan to decrease the agency's State Water Plan Fund expenditures by \$1.2 million in FY 2021. This proposed allotment plan requires legislative approval. The revised estimate includes 343.1 FTE positions,

which is an increase of 32.4 FTE positions above the approved number. This increase is due to vacant positions not being included in the approved number. Major expenditures are detailed below:

- **Salaries and Wages.** The agency estimates FY 2021 revised salaries and wages expenditures of \$25.2 million, including \$8.3 million SGF. This is an all funds increase of \$156,349, or 0.6 percent, and an SGF decrease of \$44,539, or 0.5 percent, from the FY 2021 approved amount. The SGF decrease primarily due to holding an Assistant Secretary position open and decreased employer contributions to KPERS;
- **Contractual Services.** The agency estimates FY 2021 revised contractual services expenditures of \$16.7 million, including \$1.3 million SGF. This is an all funds increase of \$1.2 million, or 7.7 percent, and an SGF increase of \$27,288, or 2.2 percent, above the FY 2021 approved amount. The SGF increase is due to increased expenditures on communication services, partially offset by decreased expenditures on travel. The all funds increase is due to increased expenditures on streambank stabilization (\$570,700), interstate water issues (\$202,980), basin management (\$105,023), and nonpoint source pollution assistance (\$132,625) due to State Water Plan Fund reappropriations. The increase is also due to increased expenditures on buffer incentive program payments (\$154,576) and increased expenditure of federal funds (\$326,031);
- **Commodities.** The agency estimates FY 2021 revised commodities expenditures of \$984,162, including \$116,300 SGF. This is an all funds increase of \$116,008, or 13.4 percent, and an SGF increase of \$122, or 0.1 percent, above the FY 2021 approved amount. This increase is primarily due to increased expenditures on scientific equipment for the laboratory and the purchase of radio-frequency identification wands for the Animal Health program;
- **Capital Outlay.** The agency estimates FY 2021 revised capital outlay expenditures of \$1.2 million, including \$129,261 SGF. This is an all funds increase of \$249,915, or 27.2 percent, and an SGF increase of \$16,665, or 14.8 percent, above the FY 2021 approved amount. This increase is primarily due to increased expenditures on scientific equipment for the laboratory, the purchase of four flowmeters for the Division of Water Resources, and the purchase of two trucks for the Division of Water Resources. The increase is also due to a one-time purchase of computer equipment to enable virtual work; and
- **Other Assistance.** The agency estimates FY 2021 revised other assistance expenditures of \$9.6 million, all from special revenue funds. This is an increase of \$2.1 million, or 27.7 percent, above the FY 2021 approved amount. This increase is due to increased expenditures on nonpoint source pollution assistance, the water quality buffer initiative program, and the riparian and wetland program due to State Water Plan Fund reappropriations. The increase is also due to the agency's supplemental request for the Kansas Reservoir Protection Initiative.

The **Governor** recommends FY 2021 expenditures of \$57.4 million, including \$9.4 million SGF. This is an all funds increase of \$1.5 million, or 2.7 percent, and an SGF decrease of \$420,178, or 4.3 percent, from the agency's FY 2021 revised estimate. The all funds increase is due to increased expenditures from the agency's Coronavirus Relief Fund moneys due to the administration and funding for the Food Stability Assistance program being transferred from the

Department of Commerce to the Department of Agriculture. This increase is partially offset by a decrease in salaries and wages expenditures due to the application of a 5.0 percent salaries and wages shrinkage rate. The SGF decrease is also due to the application of a 5.0 percent shrinkage rate. The Governor's recommendation includes the Governor's proposed allotment plan to decrease the agency's State Water Plan Fund expenditures by \$1.2 million in FY 2021. This proposed allotment plan requires legislative approval.

Supplemental Detail

FY 2021 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Kansas Reservoir Protection Initiative	\$ 0	\$ 820,177	0.0	\$ 0	\$ 820,177	0.0
COVID-19 Transactions	0	212,854	0.0	0	212,854	0.0
TOTAL	\$ 0	\$ 1,033,031	0.0	\$ 0	\$ 1,033,031	0.0

The **agency** requests 2 supplementals totaling \$1.0 million, all from special revenue funds, in FY 2021. The agency requests \$820,177, all from the State Water Plan Fund, to fund contracts for the Kansas Reservoir Protection Initiative. Through this multi-agency program, financial assistance is provided to landowners above federal reservoirs to implement sediment-reducing conservation practices, such as reduced tillage, nutrient management, and cover crops. The funds were initially appropriated to the Kansas Water Office and are requested to be utilized by the Department of Agriculture to process applications and distribute funds for the program.

The agency also requests a supplemental of \$212,854, all from the federal Coronavirus Relief Fund, for increased expenditures on communication services to enable work from home and personal protective equipment.

The **Governor** concurs with both of the agency's supplemental requests in FY 2021.

Governor's Allotments

On June 29, 2020, the Governor announced SGF allotments or reductions for FY 2021 of \$374.5 million. Included in the Governor's allotted budget were \$146.7 million in human services caseload adjustments, \$79.3 million to delay the FY 2021 State Foundation Aid payment for K-12 Education, \$46.7 million in reductions due to a suspension of KPERS Death and Disability contributions, and \$101.8 million in other adjustments.

Allotments included in this document reduce the FY 2021 approved budget without any required Legislative approval and are included in the approved amounts in the table above. As it relates to this agency, the allotment adjustments totaled \$60,328. The allotments applied to this agency are detailed below:

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
July Allotment			
KPERS Death and Disability Contribution	\$ (60,328)	\$ (60,328)	0.0

B. FY 2022 – Budget Year

FY 2022 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 51,524,766	\$ 48,755,306	\$ (2,769,460)
FTE Positions	342.1	342.1	0.0
Change from FY 2021:			
<i>Dollar Change:</i>			
State General Fund	\$ 73,419	\$ (497,087)	
All Other Funds	(4,400,508)	(8,109,826)	
TOTAL	\$ (4,327,089)	\$ (8,606,913)	
<i>Percent Change:</i>			
State General Fund	0.7 %	(5.3) %	
All Other Funds	(9.6)	(16.9)	
TOTAL	(7.7) %	(15.0) %	
Change in FTE Positions	(1.0)	(1.5)	

The **agency** requests FY 2022 expenditures of \$51.5 million, including \$9.9 million SGF. This is an all funds decrease of \$4.3 million, or 7.7 percent, and an SGF increase of \$73,419, or 0.7 percent, from the FY 2021 revised estimate. The SGF increase is primarily due to increased expenditures on salaries and wages and contractual services, partially offset by a decrease in capital outlay. The all funds decrease is due to decreased expenditures across many expenditure categories. Major expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2022 salaries and wages expenditures of \$25.5 million, including \$8.4 million SGF. This is an all funds increase of \$330,049, or 1.3 percent, and an SGF increase of \$81,933, or 1.0 percent, above the FY 2021 revised estimate. Both the SGF increase and the all funds increase are due to increased employer contributions to KPERS, group health insurance, and filling one position in the Administration program;
- **Contractual Services.** The agency requests FY 2022 contractual services expenditures of \$15.5 million, including \$1.3 million SGF. This is an all funds decrease of \$1.2 million, or 7.2 percent, and an SGF increase of \$20,636, or 1.6 percent, from the FY 2021 revised estimate. The SGF increase is due to increased

expenditures on rent due to the agency's new laboratory, partially offset by decreased expenditures on fees for brand investigators in the Animal Health program and partnership contracts in the Agriculture Marketing program. The all funds decrease is due to decreased expenditures for streambank stabilization (\$276,436), interstate water issues (\$190,161), and basin management (\$64,239), which were higher in FY 2021 due to State Water Plan Fund reappropriations as well as decreased federal funds (\$624,789);

- **Commodities.** The agency requests FY 2022 commodities expenditures of \$896,406, including \$115,998 SGF. This is an all funds decrease of \$87,756, or 8.9 percent, and an SGF decrease of \$302, or 0.3 percent, below the FY 2021 revised estimate. This decrease is primarily due to a one-time expense for the purchase of radio-frequency identification wands purchased in FY 2021 and decreased expenditures for personal protective equipment and tires;
- **Capital Outlay.** The agency requests FY 2022 capital outlay expenditures of \$833,741, including \$96,773 SGF. This is an all funds decrease of \$333,454, or 28.6 percent, and an SGF decrease of \$32,488, or 25.1 percent, below the FY 2021 revised estimate. The all funds decrease is due to one-time expenditures for personal protective equipment and four flowmeters in FY 2021 that are not occurring in FY 2022 and decreased expenditures on laboratory equipment and vehicles;
- **Aid to Local Units of Government.** The agency requests FY 2022 aid to local units expenditures of \$2.0 million, all from special revenue funds. This is a decrease of \$219,264, or 10.0 percent, below the FY 2021 revised estimate. The decrease is entirely due to decreased expenditures on aid to conservation districts; and
- **Other Assistance.** The agency requests FY 2022 other assistance expenditures of \$6.8 million, all from special revenue funds. This is a decrease of \$2.8 million, or 29.1 percent, below the FY 2021 revised amount. The decrease is primarily due to decreased expenditures on the Kansas Reservoir Protection Initiative, the riparian and wetland program, and the water quality buffer initiative, which were higher in FY 2021 due to State Water Plan Fund reappropriations. This decrease is partially offset by the agency's watershed dam construction and Conservation Reserve Enhancement Program enhancements.

The **Governor** recommends FY 2022 expenditures of \$48.8 million, including \$8.9 million SGF. This is an all funds decrease of \$2.8 million, or 5.4 percent, and an SGF decrease of \$990,684, or 10.0 percent, below the agency's FY 2022 request. The SGF decrease is due to the Governor recommending the implementation of the agency's reduced resources budget. The all funds decrease is due to the reduced resources budget, the Governor not recommending the agency's enhancement requests, and the application of a 5.0 percent salaries and wages shrinkage rate.

Enhancement Detail

Enhancements	FY 2022 ENHANCEMENTS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Watershed Dam Construction	\$ 0	\$ 450,000	0.0	\$ 0	\$ 0	0.0
Conservation Reserve Enhancement Program	0	225,000	0.0	0	0	0.0
Streambank Stabilization	0	250,000	0.0	0	0	0.0
TOTAL	\$ 0	\$ 925,000	0.0	\$ 0	\$ 0	0.0

The **agency** requests 3 enhancements totaling \$925,000, all from the State Water Plan Fund, for FY 2022. These enhancements include:

- \$450,000, all from the State Water Plan Fund, for watershed dam construction. This program provides financial assistance to watershed districts for construction for flood control and sediment reduction;
- \$225,000, all from the State Water Plan Fund, for the Conservation Reserve Enhancement Program to retire water rights in the Rattlesnake Creek Basin. CREP is a federal-state partnership with the federal government paying 80.0 percent of the cost of implemented projects; and
- \$250,000, all from the State Water Plan Fund, for streambank stabilization to reduce sedimentation and erosion in priority watersheds.

The **Governor** does not recommend any of the agency's enhancement requests.

FY 2022 Reduced Resources

The Governor has requested that specified agencies with State General Fund moneys provide a reduced resources budget submission of 10.0 percent for FY 2022. The information below provides details of the agency's reduced resources budget submission for the State General Fund.

FY 2022 REDUCED RESOURCES						
Item	Agency Recommendation			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Administration Intern Position	\$ (61,462)	\$ (61,462)	0.0	\$ (61,462)	\$ (61,462)	0.0
Administration Open Position	(90,654)	(90,654)	0.0	(90,654)	(90,654)	0.0
Weights/Measures Open Position	(44,222)	(44,222)	0.0	(44,222)	(44,222)	0.0
Water Appropriations Open Position	(144,070)	(144,070)	0.0	(144,070)	(144,070)	0.0
Laboratory Open Position	(180,764)	(180,764)	0.0	(180,764)	(180,764)	0.0
Ag Marketing Open Position	(162,147)	(162,147)		(162,147)	(162,147)	0.0
Dairy/Feed Safety Salary Adjustment	(18,456)	(18,456)		(18,456)	(18,456)	0.0
Animal Health Contracts	(25,000)	(25,000)		(25,000)	(25,000)	0.0
Weights/Measures Travel Expenses	(10,000)	(10,000)	0.0	(10,000)	(10,000)	0.0
Water Management Dues	(50,000)	(50,000)		(50,000)	(50,000)	0.0
Water Management Capital Outlay	(19,000)	(19,000)		(19,000)	(19,000)	0.0
Meat/Poultry Vehicles	(34,909)	(34,909)		(34,909)	(34,909)	0.0
Ag Marketing Contracts	(150,000)	(150,000)	0.0	(150,000)	(150,000)	0.0
TOTAL	\$ (990,684)	\$ (990,684)	0.0	\$ (990,684)	\$ (990,684)	0.0

The **agency** submits a reduced resource budget of \$990,684, all SGF, for FY 2022. The submission includes:

- \$61,462 to hold 5 intern positions open in the Administration program;
- \$90,654 to hold an assistant secretary position open;
- \$44,222 to hold 1 inspector position open in the Weights and Measures program;
- \$144,070 to hold 2 positions open in the Water Appropriations program;
- \$180,764 to hold 3 positions open in the Laboratory program;
- \$162,147 to hold 3 positions open in the Agriculture Marketing program.
- \$18,456 for a portion of the Dairy and Feed Safety program manager's salary. The agency states this expenditure would be reallocated to fee funds;
- \$25,000 for contracts to eradicate and control feral swine in southeast Kansas. The agency states that these funds are used as matching dollars for federal funds;

- \$10,000 for travel expenses in the Weights and Measures program. The agency states this reduction will reduce the number of professional development events employees are able to attend;
- \$50,000 for dues, memberships, and compact fees in the Water Management program. The agency states this reduction brings the costs in line with actual expenditures;
- \$19,000 for a truck and computer equipment for the Water Management program;
- \$34,909 for the purchase of vehicles in the Meat and Poultry program; and
- \$150,000 for partnerships with Kansas State University for agricultural production surveys and agricultural marketing reports and with nonprofit organizations to promote industry growth opportunities through the Agriculture Marketing program.

The **Governor** recommends implementing the agency's reduced resources budget for FY 2022.

Governor's Recommended Salary and Wage Adjustments

For FY 2022, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

Longevity Bonus Payments. In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **For this agency, FY 2021 longevity payments total \$16,481, including \$5,457 SGF, and FY 2022 longevity payments total \$16,959, including \$5,466 SGF.**

Kansas Public Employees Retirement System (KPERs). The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERs Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

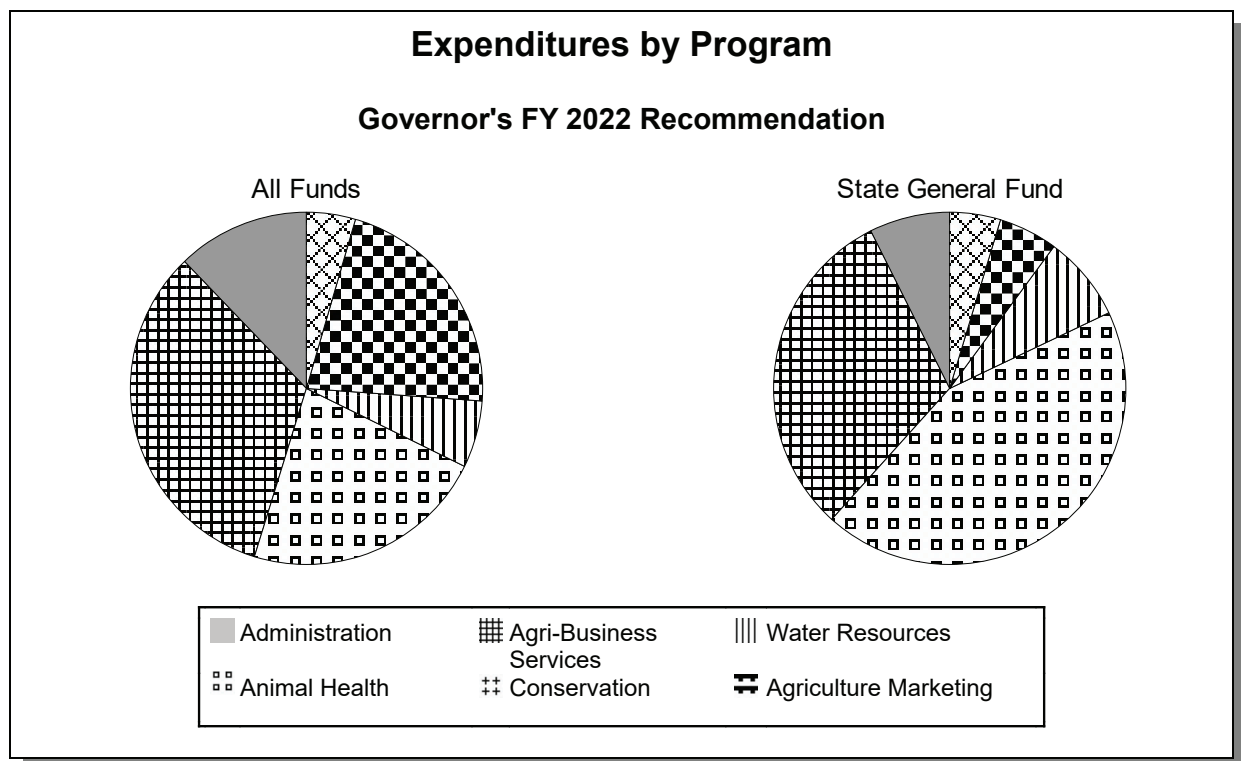
KPERs Death and Disability Group Insurance Fund. During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2022	Gov. Rec. Percent of Total FY 2022
State General Fund	19.2 %	18.3 %
State Water Plan Fund	20.4	19.6
Economic Development Initiatives Fund	2.0	2.0
Federal Funds	19.3	20.1
All Other Funds	39.0	40.0
TOTAL	100.0 %	100.0 %

(Note: Totals may not add due to rounding.)

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Administration	\$ 5,940,514	12.2 %	\$ 659,793	7.4 %
Agri-Business Services	16,113,826	33.1	2,757,681	30.9
Water Resources	10,956,570	22.5	3,898,469	43.7
Animal Health	3,002,744	6.2	700,939	7.9
Conservation	10,548,848	21.6	484,239	5.4
Agriculture Marketing	2,192,804	4.5	415,034	4.7
TOTAL	\$ 48,755,306	100.0 %	\$ 8,916,155	100.0 %

FTE POSITIONS BY PROGRAM FY 2020 – FY 2022					
Program	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Administration	33.9	34.9	34.9	35.9	35.9
Agribusiness Services	178.0	189.2	189.2	189.2	189.2
Water Resources	69.5	75.5	76.0	73.5	73.5
Animal Health	18.9	21.0	21.0	21.0	21.0
Conservation	8.0	9.0	9.0	9.0	9.0
Agriculture Marketing	10.5	13.5	13.5	13.5	13.5
TOTAL	318.8	343.1	343.6	342.1	342.1

(Note: For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)

A. Administration

The Administration program provides the general policy, outreach, coordination, and management functions for the agency.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
There are no performance measures submitted for this program.						
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 6.2	\$ 6.2	\$ 7.3	\$ 5.9	\$ 8.8	\$ 5.9
FTE Positions	35.4	34.0	35.7	33.9	34.9	35.9

ADMINISTRATION					
SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 2,880,592	\$ 3,087,602	\$ 2,933,222	\$ 3,286,374	\$ 3,010,034
Contractual Services	2,038,969	1,823,071	1,823,071	1,815,130	1,815,130
Commodities	56,792	87,550	87,550	64,350	64,350
Capital Outlay	340,084	224,954	224,954	51,000	51,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 5,316,437</u>	<u>\$ 5,223,177</u>	<u>\$ 5,068,797</u>	<u>\$ 5,216,854</u>	<u>\$ 4,940,514</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	616,232	1,000,000	3,768,457	1,000,000	1,000,000
TOTAL	<u>\$ 5,932,669</u>	<u>\$ 6,223,177</u>	<u>\$ 8,837,254</u>	<u>\$ 6,216,854</u>	<u>\$ 5,940,514</u>
Financing:					
State General Fund	\$ 1,045,981	\$ 761,821	\$ 720,590	\$ 811,909	\$ 659,793
All Other Funds	4,886,688	5,461,356	8,116,664	5,404,945	5,280,721
TOTAL	<u>\$ 5,932,669</u>	<u>\$ 6,223,177</u>	<u>\$ 8,837,254</u>	<u>\$ 6,216,854</u>	<u>\$ 5,940,514</u>
FTE Positions	33.9	34.9	34.9	35.9	35.9

The **agency** requests FY 2022 expenditures for the Administration program of \$6.2 million, including \$811,909 SGF. This is an all funds decrease of \$6,323, or 0.1 percent, and an SGF increase of \$50,088, or 6.6 percent, from the FY 2021 revised estimate. The SGF increase is entirely due to increased expenditures on salaries and wages. The all funds decrease is primarily due to one-time expenditures for computer equipment to enable work from home during FY 2021 that do not reoccur in FY 2022. Major expenditure changes are detailed below:

- **Salaries and Wages.** The agency requests salaries and wages expenditures of \$3.3 million, including \$801,901 SGF. This is an all funds increase of \$198,772, or 6.4 percent, and an SGF increase of \$50,080, or 6.7 percent, above the FY 2021 revised estimate. Both increases are due to increased employer contributions to KPERS and Medicare and the filling of a vacant position;
- **Commodities.** The agency requests commodities expenditures of \$64,350, all from special revenue funds. This is a decrease of \$23,200, or 26.5 percent, below the FY 2021 revised estimate. This decrease is due to one-time expenditures for personal protective equipment in FY 2021 that do not reoccur in FY 2022; and
- **Capital Outlay.** The agency requests capital outlay expenditures of \$51,000, all from special revenue funds. This is a decrease of \$173,954, or 77.3 percent, below the FY 2021 revised estimate. This decrease is due to one-time expenditures for computer equipment to enable work from home during FY 2021 that do not occur in FY 2022.

The **Governor** recommends FY 2022 Administration program expenditures of \$5.9 million, including \$659,793 SGF. This is an all funds decrease of \$276,340, or 4.4 percent, and an SGF decrease of \$152,116, or 18.7 percent, below the agency's FY 2022 request. The SGF decrease is due to the Governor recommending implementation of the agency's reduced resources budget. The all funds decrease is due to the reduced resources budget as well as the application of a 5.0 percent salaries and wages shrinkage rate across all programs.

B. Agribusiness Services

Agribusiness Services consists of the Meat and Poultry, Food Safety, Dairy and Feed Safety, Weights and Measures, Grain Warehouse, Agricultural Laboratories, Plant Protection and Seed, and Pesticide and Fertilizer programs.

The Meat and Poultry program conducts inspections to ensure safe and wholesome meat and poultry products and to detect and eliminate those items that pose a health threat, are mislabeled, or serve as a source of economic fraud to the consumer. The Food Safety program conducts food safety inspections of food establishments, food processors, and lodging establishments. The Dairy and Feed Safety program regulates the milk production, transportation, processing, and distribution industry in Kansas. The Weights and Measures program is responsible for ensuring devices involving weight, measurement, or price scanning in commerce are accurate. The Grain Warehouse program ensures depositors of grain in public warehouses are protected from fraud. The Agricultural Laboratories program provides sample analysis in order to enforce the regulatory functions of the agency. The Plant Protection and Seed program protects the state's natural and cultivated plant resources from pests, diseases, and weeds. The Pesticide and Fertilizer program regulates pesticide and fertilizer products and chemical applicators.

PERFORMANCE MEASURES						
<u>Measure</u>	<u>Actual FY 2018</u>	<u>Actual FY 2019</u>	<u>Gov. Rec. FY 2020</u>	<u>Actual FY 2020</u>	<u>Gov. Rec. FY 2021</u>	<u>Gov. Rec. FY 2022</u>
Percent of Kansas Food Establishments Inspected Annually	93.3 %	92.3 %	97.5 %	96.3 %	97.5 %	97.5 %
Percent of Licensed Warehouses Inspected Annually	73.0 %	98.0 %	100.0 %	92.0 %	85.0 %	85.0 %
Percent of Pesticide/Fertilizer Field Inspections Completed within Established Time Frames	98.0 %	97.0 %	95.0 %	93.0 %	95.0 %	95.0 %
Annual Percent Growth in Kansas Dairy Industry	6.7 %	2.0 %	6.0 %	2.0 %	2.3 %	2.5 %
Percent of Undermeasurements of Equal or Greater to 0.2% and 500 Bushels Adjusted	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent Sampling of RTE Products Accomplished According to Established Goal	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent Sampling of Raw Meat Products Accomplished According to Established Goal	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Official Establishment Inventory Improvements Completed Per Fiscal Year	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent in Compliance with FDA Guidelines and National Standards	100.0 %	100.0 %	100.0 %	100.0 %	100.0	100.0 %
Percent of Lab Staff Completing Proficiency Testing	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Administrative Reviews Completed within Established Time Frame	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Corrective Action Completed on Issued Rejection Notices	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Licensees Whose Paperwork is Reviewed Annually	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Staff Completing 480 Hours of Professional Training	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 14.3	\$ 15.2	\$ 16.8	\$ 15.8	\$ 15.5	\$ 16.1
FTE Positions	183.5	172.0	173.9	178.0	189.2	189.2

**AGRIBUSINESS SERVICES
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 11,834,344	\$ 12,570,285	\$ 11,941,768	\$ 12,701,531	\$ 11,953,655
Contractual Services	2,665,502	2,198,761	2,198,761	2,830,230	2,820,230
Commodities	495,639	658,097	658,097	663,874	663,874
Capital Outlay	779,943	732,540	732,540	710,976	676,067
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 15,775,428</u>	<u>\$ 16,159,683</u>	<u>\$ 15,531,166</u>	<u>\$ 16,906,611</u>	<u>\$ 16,113,826</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 15,775,428</u>	<u>\$ 16,159,683</u>	<u>\$ 15,531,166</u>	<u>\$ 16,906,611</u>	<u>\$ 16,113,826</u>
Financing:					
State General Fund	\$ 3,024,846	\$ 3,032,196	\$ 2,902,574	\$ 3,046,032	\$ 2,757,681
All Other Funds	12,750,582	13,127,487	12,628,592	13,860,579	13,356,145
TOTAL	<u>\$ 15,775,428</u>	<u>\$ 16,159,683</u>	<u>\$ 15,531,166</u>	<u>\$ 16,906,611</u>	<u>\$ 16,113,826</u>
FTE Positions	178.0	189.2	189.2	189.2	189.2

The **agency** requests FY 2022 expenditures for the Agribusiness Services program of \$16.9 million, including \$3.0 million SGF. This is an all funds increase of \$746,928, or 4.6 percent, and an SGF increase of \$13,826, or 0.5 percent, above the FY 2021 revised estimate. The SGF increase is due to increased expenditures on salaries and wages and contractual services, partially offset by decreased expenditures on capital outlay. The all funds increase is due to increased expenditures on salaries and wages and contractual services. Major expenditure changes are detailed below:

- **Salaries and Wages.** The agency requests FY 2022 salaries and wages expenditures of \$12.7 million, including \$2.6 million SGF. This is an all funds increase of \$131,246, or 1.0 percent, and an SGF increase of \$20,392, or 0.8 percent, above the FY 2021 revised estimate. Both increases are due to increased employer contributions to KPERS and group health insurance;
- **Contractual Services.** The agency requests FY 2022 contractual services expenditures of \$2.8 million, including \$247,301 SGF. This is an all funds increase of \$631,469, or 28.7 percent, and an SGF increase of \$22,938, or 10.2 percent, above the FY 2021 revised estimate. This increase is primarily due to the the first rent payment on the agency's new laboratory and increased expenditures on travel; and
- **Capital Outlay.** The agency requests FY 2022 capital outlay expenditures of \$710,976, including \$72,458 SGF. This is an all funds decrease of \$21,564, or 2.9 percent, and an SGF decrease of \$29,894, or 29.2 percent, below the FY 2021 revised estimate. The SGF decrease is primarily due to the decreased expenditures for scientific equipment for the laboratory. The all funds decrease is due to decreased expenditures on laboratory equipment and computer equipment for the Weights and Measures program, partially offset by the purchase of two trucks for the Plant Protection and Seed program.

The **Governor** recommends FY 2022 Agribusiness Services program expenditures of \$16.1 million, including \$2.8 million SGF. This is an all funds decrease of \$792,785, or 4.7 percent, and an SGF decrease of \$288,351, or 9.5 percent, below the agency's FY 2022 request. The SGF decrease is due to the Governor recommending the implementation of the agency's reduced resources budget. The all funds decrease is due to the reduced resources budget and the application of a 5.0 percent salaries and wages shrinkage rate across all programs.

C. Water Resources

Division of Water Resources programs include Water Management, Water Appropriations, and Water Structures. The Water Management Services program is responsible for administrative, fiscal, legal, and legislative functions, in addition to supervising water conservation issues, data entry for the Water Rights Information System, management of the Geographic Information System, hydrologic studies, coordination with other water-related agencies, and facilitating the stakeholder process in the state. The Water Appropriations program administers the Kansas Water Appropriation Act and rules and regulations pertaining to the management of water resources. The Water Structures program regulates human activities that affect the flow of rivers and streams to ensure such activities are properly planned, constructed, operated, and maintained.

PERFORMANCE MEASURES						
<u>Measure</u>	<u>Actual FY 2018</u>	<u>Actual FY 2019</u>	<u>Gov. Rec. FY 2020</u>	<u>Actual FY 2020</u>	<u>Gov. Rec. FY 2021</u>	<u>Gov. Rec. FY 2022</u>
Percent of Completed Dam Permits Processed within Established Time Frame	76.0 %	82.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Completed Stream Obstruction, Levee, Floodplain Fill and Channel Change Permits within Established Time Frame	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 12.5	\$ 15.4	\$ 12.2	\$ 15.2	\$ 12.1	\$ 11.0
FTE Positions	70.8	71.0	69.5	69.5	76.0	73.5

**WATER RESOURCES
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 5,429,969	\$ 5,816,394	\$ 5,525,574	\$ 5,782,813	\$ 5,539,816
Contractual Services	9,669,821	6,321,106	6,321,106	5,401,486	5,351,486
Commodities	44,720	43,507	43,507	39,153	39,153
Capital Outlay	65,507	188,365	188,365	39,115	20,115
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 15,210,017</u>	<u>\$ 12,369,372</u>	<u>\$ 12,078,552</u>	<u>\$ 11,262,567</u>	<u>\$ 10,950,570</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	2,360	2,360	6,000	6,000
TOTAL	<u>\$ 15,210,017</u>	<u>\$ 12,371,732</u>	<u>\$ 12,080,912</u>	<u>\$ 11,268,567</u>	<u>\$ 10,956,570</u>
Financing:					
State General Fund	\$ 4,126,352	\$ 4,104,425	\$ 3,914,847	\$ 4,111,539	\$ 3,898,469
All Other Funds	11,083,665	8,267,307	8,166,065	7,157,028	7,058,101
TOTAL	<u>\$ 15,210,017</u>	<u>\$ 12,371,732</u>	<u>\$ 12,080,912</u>	<u>\$ 11,268,567</u>	<u>\$ 10,956,570</u>
FTE Positions	69.5	75.5	76.0	73.5	73.5

The **agency** requests FY 2022 Division of Water Resources expenditures of \$11.3 million, including \$4.1 million SGF. This is an all funds decrease of \$1.1 million, or 8.9 percent, and an SGF increase of \$7,114, or 0.2 percent, from the FY 2021 revised estimate. The SGF increase is due to increased expenditures on salaries and wages, partially offset by a decrease in expenditures on contractual services and commodities. The all funds decrease is primarily due to decreased expenditures on contractual services and capital outlay. Major expenditure changes are detailed below:

- **Salaries and Wages.** The agency requests FY 2022 salaries and wages expenditures of \$5.8 million, including \$3.8 million SGF. This is an all funds decrease of \$33,581, or 0.6 percent, and an SGF increase of \$12,719, or 0.3 percent, from the FY 2021 revised estimate. The SGF increase is primarily due increased employer contributions to KPERS and group health insurance. The all funds decrease is due to the holding two positions open for FY 2022;
- **Contractual Services.** The agency requests FY 2022 contractual services expenditures of \$5.4 million, including \$280,415 SGF. This is an all funds decrease of \$919,620, or 14.5 percent, and an SGF decrease of \$2,284, or 0.8 percent, below the FY 2021 revised estimate. The all funds decrease is due to one-time expenditure of a federal grant for high-resolution topography in four areas of the state in FY 2021 that is not recurring in FY 2022 and decreased expenditures on interstate water issues and basin management, which were higher in FY 2021 due to State Water Plan Fund reappropriations; and
- **Capital Outlay.** The agency requests FY 2022 capital outlay expenditures of \$39,115, including \$24,315 SGF. This is an all funds decrease of \$149,250, or 79.2 percent, and an SGF decrease of \$2,594, or 9.6 percent, below the FY 2021 revised estimate. This decrease is due to the one-time purchase of four flowmeters in FY 2021 and decreased expenditures on trucks.

The **Governor** recommends FY 2022 Water Resources expenditures of \$11.0 million, including \$3.9 million SGF. This is an all funds decrease of \$311,997, or 2.8 percent, and an SGF decrease of \$213,070, or 5.2 percent, below the agency's FY 2022 request. The SGF decrease is due to the Governor recommending implementation of the agency's reduced resources budget. The all funds decrease is due to the reduced resources budget as well as the application of a 5.0 percent salaries and wages shrinkage rate across all programs.

D. Animal Health

The Animal Health program ensures the public health, safety, and welfare of Kansas' citizens and enhances the economic viability of the state's livestock production through livestock identification, animal health planning and preparedness, disease prevention, and control and eradication of infectious and contagious livestock and domestic animal disease in Kansas. The program also regulates facilities that produce, sell, board, train, rescue, offer for adoption, or harbor companion animals and enforces the laws governing such facilities. The program directs a Brand Registration and Inspection program, identifies ownership of lost or stolen livestock, informs the public of the status of the health of livestock in the state, and promotes understanding and gains public assistance in achieving this mission. The Animal Health program was transferred to the Department of Agriculture in FY 2012 as part of Executive Reorganization Order No. 40.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percent of Pet Animal Complaints Responded to within Five Days	60.0 %	60.0 %	80.0 %	70.0 %	85.0 %	85.0 %
Percent of Kansas Livestock Markets Inspected per Six-month Period	95.0 %	95.3 %	100.0 %	96.0 %	100.0 %	100.0 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 2.6	\$ 2.8	\$ 3.1	\$ 2.8	\$ 3.1	\$ 3.0
FTE Positions	17.5	14.0	16.5	18.9	21.0	21.0

ANIMAL HEALTH					
SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 1,335,527	\$ 1,607,928	\$ 1,527,532	\$ 1,622,761	\$ 1,569,170
Contractual Services	1,346,525	1,455,093	1,455,093	1,351,824	1,326,824
Commodities	67,269	143,433	143,433	76,950	76,950
Capital Outlay	22,384	18,486	18,486	29,800	29,800
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 2,771,705</u>	<u>\$ 3,224,940</u>	<u>\$ 3,144,544</u>	<u>\$ 3,081,335</u>	<u>\$ 3,002,744</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 2,771,705</u>	<u>\$ 3,224,940</u>	<u>\$ 3,144,544</u>	<u>\$ 3,081,335</u>	<u>\$ 3,002,744</u>
Financing:					
State General Fund	\$ 696,426	\$ 724,839	\$ 697,347	\$ 725,939	\$ 700,939
All Other Funds	2,075,279	2,500,101	2,447,197	2,355,396	2,301,805
TOTAL	<u>\$ 2,771,705</u>	<u>\$ 3,224,940</u>	<u>\$ 3,144,544</u>	<u>\$ 3,081,335</u>	<u>\$ 3,002,744</u>
FTE Positions	18.9	21.0	21.0	21.0	21.0

The **agency** requests FY 2022 Animal Health expenditures of \$3.1 million, including \$725,939 SGF. This is an all funds decrease of \$143,605, or 4.5 percent, and an SGF increase of \$1,100, or 0.2 percent, from the FY 2021 revised estimate. The SGF increase is due entirely to an increase in salaries and wages. The all funds decrease is due to decreased expenditures on livestock market and back tagging payments and the one-time purchase of radio-frequency identification wands in FY 2021. Major expenditure changes are detailed below:

- **Salaries and Wages.** The agency requests FY 2022 salaries and wages expenditures of \$1.6 million, including \$550,939 SGF. This is an all funds increase of \$14,833, or 0.9 percent, and an SGF increase of \$1,100, or 0.2 percent, above the FY 2021 revised estimate. Both increases are due to increased employer contributions to KPERS and group health insurance;
- **Contractual Services.** The agency requests FY 2022 contractual services expenditures of \$1.4 million, including \$175,000 SGF. This is a decrease of \$103,269, or 7.1 percent, all from special revenue funds, below the FY 2021 revised estimate. The all funds decrease is due to decreased expenditures on computer services; and
- **Commodities.** The agency requests FY 2022 commodities expenditures of \$76,950, all from special revenue funds. This is a decrease of \$66,483, or 46.4 percent, below the FY 2021 revised estimate. The decrease is due to the one-time purchase of radio-frequency identification wands in FY 2021.

The **Governor** recommends FY 2022 Animal Health program expenditures of \$3.0 million, including \$700,939 SGF. This is an all funds decrease of \$78,591, or 2.6 percent, and an SGF decrease of \$25,000, or 3.4 percent, below the agency's FY 2022 request. The SGF decrease is entirely due to the Governor recommending the implementation of the agency's

reduced resources budget. The all funds decrease is due to the reduced resources budget and the application of a 5.0 percent salaries and wages shrinkage rate across all programs.

E. Conservation

Prior to FY 2012, the State Conservation Commission was a separate agency that was established in 1937 to promote soil and water conservation. The mission of the Commission was to administer conservation programs designed to enable local entities and individuals to protect and enhance Kansas' natural resources. The Conservation program operates eight subprograms, including: Aid to Conservation Districts, Watershed Dam Construction, Water Resource Cost-Share, Water Supply Restoration, Nonpoint Source Pollution, Riparian and Wetland Protection, Land Reclamation, and Water Quality Buffer Initiatives. The Conservation program was transferred to the Kansas Department of Agriculture as part of Executive Reorganization Order No. 40.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percent of Total Number of Streambanks Designated for Protection Completed per Fiscal Year	80.0 %	15.0 %	85.0 %	25.0 %	75.0 %	100.0 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 6.2	\$ 8.1	\$ 13.2	\$ 9.9	\$ 15.0	\$ 10.5
FTE Positions	9.0	9.0	9.0	8.0	9.0	9.0

CONSERVATION SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 775,347	\$ 809,480	\$ 769,006	\$ 817,234	\$ 800,584
Contractual Services	2,131,017	3,798,879	3,798,879	3,118,483	2,868,483
Commodities	6,500	10,350	10,350	10,829	10,829
Capital Outlay	3,112	1,350	1,350	1,350	1,350
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 2,915,976</i>	<i>\$ 4,620,059</i>	<i>\$ 4,579,585</i>	<i>\$ 3,947,896</i>	<i>\$ 3,681,246</i>
Aid to Local Units	2,192,637	2,192,637	2,192,637	1,973,373	1,973,373
Other Assistance	4,752,442	8,262,958	8,262,958	5,569,229	4,894,229
TOTAL	\$ 9,861,055	\$ 15,075,654	\$ 15,035,180	\$ 11,490,498	\$ 10,548,848
Financing:					
State General Fund	\$ 482,468	\$ 483,279	\$ 459,115	\$ 484,239	\$ 484,239
All Other Funds	9,378,587	14,592,375	14,576,065	11,006,259	10,064,609
TOTAL	\$ 9,861,055	\$ 15,075,654	\$ 15,035,180	\$ 11,490,498	\$ 10,548,848
FTE Positions	8.0	9.0	9.0	9.0	9.0

The **agency** requests FY 2022 Conservation expenditures of \$11.5 million, including \$484,239 SGF. This is an all funds decrease of \$3.6 million, or 23.8 percent, and an SGF increase of \$960, or 0.2 percent, from the FY 2021 revised estimate. The all funds decrease is

primarily due to decreased expenditures on contractual services, aid to local units of government, and other assistance. Major expenditure changes are detailed below:

- **Contractual Services.** The agency requests FY 2022 contractual services expenditures of \$3.1 million, all from special revenue funds. This is an all funds decrease of \$680,396, or 17.9 percent, below the FY 2021 revised estimate. This decrease is due to decreased expenditures on streambank stabilization, which were higher in FY 2021 due to State Water Plan Fund reappropriations. The decrease is also due to decreased expenditures for the Buffer Incentive program and decreased federal funds;
- **Aid to Local Units of Government.** The agency requests aid to local units expenditures of \$2.0 million, all from special revenue funds. This is an all funds decrease of \$219,264, or 10.0 percent, below the FY 2021 revised estimate. This decrease is due to decreased expenditures on aid to conservation districts; and
- **Other Assistance.** The agency requests other assistance expenditures of \$5.6 million, all from special revenue funds. The decrease is primarily due to decreased expenditures on the Kansas Reservoir Protection Initiative, the riparian and wetland program, and the water quality buffer initiative, which were higher in FY 2021 due to State Water Plan Fund reappropriations. The decrease is also due to decreased payments for the Buffer Incentive program. This decrease is partially offset by the agency's watershed dam construction and Conservation Reserve Enhancement Program enhancements.

The **Governor** recommends FY 2022 Conservation program expenditures of \$10.5 million, including \$484,239 SGF. This is a decrease of \$941,650, or 8.2 percent, all from special revenue funds, below the agency's FY 2022 request. This decrease is due to the Governor not recommending any of the agency's enhancement requests and the application of a 5.0 percent salaries and wages shrinkage rate.

F. Agriculture Marketing

The Agriculture Marketing program was transferred to the Department of Agriculture in FY 2011 as part of Executive Reorganization Order No. 40. This program is focused on growing the agricultural industry in Kansas through loan programs, marketing, and agricultural initiatives. The Agricultural Marketing, Advocacy, and Outreach team identifies with the following team goals: retain and serve current farms, ranches, and agribusinesses in Kansas; grow current farms, ranches, and agribusinesses in Kansas; expand the Kansas agriculture industry; assist in maintaining/growing rural Kansas communities; raise awareness of agriculture; and create appreciation for agriculture.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Annual Percent Growth in Kansas Dairy Industry	6.7 %	2.0 %	6.0 %	2.0 %	2.3 %	2.5 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 2.4	\$ 2.6	\$ 2.8	\$ 2.2	\$ 2.7	\$ 2.2
FTE Positions	13.0	10.0	9.1	10.5	13.5	13.5

AGRICULTURE MARKETING SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 897,997	\$ 1,270,116	\$ 1,206,610	\$ 1,281,141	\$ 1,063,044
Contractual Services	1,062,352	1,109,322	1,109,322	982,265	832,265
Commodities	35,642	41,225	41,225	41,250	41,250
Capital Outlay	1,480	1,500	1,500	1,500	1,500
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 1,997,471</i>	<i>\$ 2,422,163</i>	<i>\$ 2,358,657</i>	<i>\$ 2,306,156</i>	<i>\$ 1,938,059</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	228,846	374,506	374,506	254,745	254,745
TOTAL	\$ 2,226,317	\$ 2,796,669	\$ 2,733,163	\$ 2,560,901	\$ 2,192,804
Financing:					
State General Fund	\$ 725,801	\$ 726,860	\$ 718,769	\$ 727,181	\$ 415,034
All Other Funds	1,500,516	2,069,809	2,014,394	1,833,720	1,777,770
TOTAL	\$ 2,226,317	\$ 2,796,669	\$ 2,733,163	\$ 2,560,901	\$ 2,192,804
FTE Positions	10.5	13.5	13.5	13.5	13.5

The **agency** requests FY 2022 Agriculture Marketing expenditures of \$2.6 million, including \$727,181 SGF. This is an all funds decrease of \$235,768, or 8.4 percent, and an SGF increase of \$321, or less than 0.1 percent, from the FY 2021 revised estimate. The SGF increase is entirely due to decreased expenditures on salaries and wages. The all funds decrease is due to decreased expenditures in contractual services and other assistance. Major expenditure changes are detailed below:

- **Salaries and Wages.** The agency requests FY 2022 salaries and wages expenditures of \$1.3 million, including \$162,147 SGF. This is an all funds increase of \$11,025, or 0.9 percent, and an SGF increase of \$322, or 0.2 percent, above the FY 2021 revised estimate. Both increases are due to increased employer contributions to KPERS and group health insurance;
- **Contractual Services.** The agency requests FY 2022 contractual services expenditures of \$982,265, including \$565,009 SGF. This is an all funds decrease of \$127,057, or 11.5 percent, and an SGF decrease of \$26, or less than 0.1 percent, below the FY 2021 revised estimate. These decreases are due to decreased expenditures on partnerships with Kansas State University, nonprofits, and stakeholders. The agency states that the program engages in partnerships

with Kansas State University for agricultural production surveys and agricultural marketing reports and with nonprofit organizations to promote industry growth opportunities through the Agriculture Marketing program; and

- **Other Assistance.** The agency request FY 2022 other assistance expenditures of \$254,745, all from special revenue funds. This is a decrease of \$119,761, or 32.0 percent, below the FY 2021 revised estimate. This decrease is due to a decrease in Specialty Crop Block Grant program payments.

The **Governor** recommends FY 2022 Agriculture Marketing program expenditures of \$2.2 million, including \$415,034 SGF. This is an all funds decrease of \$368,097, or 14.4 percent, and an SGF decrease of \$312,147, or 42.9 percent, below the agency's FY 2022 request. The SGF decrease is entirely due to the Governor's recommending the implementation of the agency's reduced resources budget. The all funds decrease is due to the reduced resources budget and the application of a 5.0 percent salaries and wages shrinkage rate.