

Approved: March 19, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on March 15, 1993 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Leah Robinson, Legislative Research Department
Scott Rothe, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

HB 2086 -- APPROPRIATIONS FOR FY94, JUDICIAL COUNCIL, STATE BOARD OF INDIGENTS DEFENSE SERVICES, JUDICIAL BRANCH

ANIMAL HEALTH DEPARTMENT (Attachment 1)

Senator Lawrence read the FY93 subcommittee report. It was moved by Senator Lawrence and seconded by Senator Kerr that the FY93 report be adopted. The motion carried on a voice vote.

The FY94 report was presented by Senator Lawrence. It was moved by Senator Lawrence that the FY94 subcommittee report be adopted. The motion was seconded by Senator Kerr and carried on a voice vote.

GRAIN INSPECTION DEPARTMENT (Attachment 2)

Senator Lawrence reviewed the FY93 and FY94 subcommittee reports. It was noted that the Grain Inspection Department had been the subject of an interim study and that the agency is experiencing difficulty. It was stated that there are, however, alternatives that the agency should seriously consider.

KANSAS STATE FAIR (Attachment 3)

The FY93 and FY94 subcommittee reports were read by Senator Lawrence. Chairman Bogina told members that because the 4-H Encampment Building is in poor shape, he believes the \$670,000 appropriated by the House Committee of the Whole for modifications could escalate to \$2 million. He has asked that the agency develop a plan outlining the future use of the building, costs, etc. which will be reviewed in HB 2122.

It was moved by Senator Lawrence and seconded by Senator Kerr that the FY93 and FY94 reports be adopted. The motion carried on a voice vote.

KANSAS WHEAT COMMISSION (Attachment 4)

Senator Lawrence presented the FY93 and FY94 subcommittee reports. In answer to Senator Petty, it was stated that all computer purchases with the exception of small PC purchases must have the approval of the Joint Committee on Computers and Technology. It was explained that the agency's ending balances need to be sufficient to allow for research programs that come on line without notification and to provide continuity for the agency when harvests are poor. Chairman Bogina noted that the agency's expenditures total \$2.3 million while refunds provided total \$2.25 million.

Senator Lawrence moved, Senator Kerr seconded, that the FY93 and FY94 subcommittee reports be adopted.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 15, 1993.

The motion carried on a voice vote.

STATE BOARD OF AGRICULTURE (Attachment 5)

The FY93 and FY94 subcommittee reports were presented by Senator Morris. There was discussion regarding the studies of the Division of Water Resources and the Water Office regarding the Republican River Compact (Item 4, Attachment 5-8). A hydrologist from the Water Office told members that the study conducted by the Division of Water Resources is a historical institutional study to interpret the contract and determine if there is evidence for a case against Nebraska. The Water Office study is a technical hydrological study to determine how the flow of the Republican River can be managed.

It was moved by Senator Morris and seconded by Senator Petty that recommendation 5 of the FY94 subcommittee report be conceptually amended to state that the \$45,000 from the SGF provides funding for the first year of a two year program. Senator Morris stated that the subcommittee had not recommended funding for the second year. Concern was expressed that the recommended appropriation for the equine survey would imply continuation of the program, and that the information gathered might not be useable if the program were not supported the second year. It was questioned by some members whether this issue was a priority of the agency. Senator Moran noted that the subcommittee had restored funding for nearly all divisions cut by House action except funding for the Division of Marketing. The motion carried on a voice vote.

Senator Moran told members that the recommendation for the Division of Marketing reduces its base budget by 17%. Senator Petty, a member of the subcommittee, explained that it was her opinion that there was no specific information that identifies the authority of the Division of Marketing in international marketing and that the Division needs to develop a better marketing strategy. It was noted by the Chairman that SGF support for the Division was reduced by the House from \$273,000 to \$178,000.

It was moved by Senator Moran and seconded by Senator Lawrence that the subcommittee report be amended by including \$35,000 from the SGF and \$50,000 from the EDIF for the Division of Marketing within the Department of Agriculture and to incorporate a request that a strategic marketing plan for Kansas products be developed. Senator Kerr noted that this recommended amendment would represent a substantial increase in EDIF funding. In answer to a question, it was stated that the Senate subcommittee's recommendations including this amendment would result in an increase over the Governor's recommended budget by \$43,000.

A substitute motion was offered by Senator Salisbury and seconded by Senator Vancrum that the subcommittee report be amended by the deletion of item 5 (\$45,000 from the SGF for an equine industry survey), that \$35,000 from the SGF and \$50,000 from the EDIF for the Division of Marketing be included, and that the Division of Marketing provide the Legislature with a strategic marketing plan for Kansas products.

Senator Brady called for a division of the question. Seeing that there was no objection, the Chair ruled that the motion could be divided. The Chair called for a vote on the motion to amend the FY94 report by deleting \$45,000 from the SGF for an equine industry survey. The motion carried on a voice vote.

The Chairman called for a vote to amend the FY94 report by adding \$35,000 from the SGF and \$50,00 from the EDIF for the Division of Marketing and to request a strategic marketing plan of the Division. Senator Petty spoke against the motion, expressing her opinion that there needs to be more accountability and more clearly established results from the Marketing Division. The motion carried on a show of hands.

It was moved by Senator Petty and seconded by Senator Brady that the subcommittee report be amended to request a Post Audit study of the authority under which the Division of Marketing participates in international marketing. The motion failed on a show of hands.

Senator Morris moved, Senator Salisbury seconded, that item 2 of the FY94 report be technically amended by changing "May, 1992" to "May, 1993". The motion carried on a voice vote.

It was moved by Senator Morris and seconded by Senator Moran that HB 2086 be recommended favorable for passage as amended. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 12:15 P.M.

The next meeting is scheduled for March 16, 1993.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: March 15, 1993

[illegible]

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. --

Bill Sec. --

Analyst: Duncan

Analysis Pg. No. 359

Budget Page No. 74

Expenditure	Agency Est. FY 93	Governor's Rec. FY 93	House Sub. Adjustments
State Operations:			
State General Fund	\$ 459,353	\$ 398,935	\$ --
Special Revenue Funds	1,332,082	1,311,736	--
EDIF	--	--	--
Total	<u>\$ 1,791,435</u>	<u>\$ 1,710,671</u>	<u>\$ --</u>
FTE Positions	38.5	38.5	--

Agency Estimate/Governor's Recommendation

The agency estimates current year expenditures of \$1,791,435, an increase of \$24,157 over \$1,767,278, the amount approved by the 1992 Legislature, as adjusted by the State Finance Council. The FY 1993 estimate which reappropriates \$13,570, increases the State General Fund by \$60,269 and reduces special revenue financing by \$36,112. (Staff Note: For FY 1993, the agency wide approved budget for capital outlay totaled \$19,500. The agency is requesting current year capital outlay expenditures of \$34,321, an increase of \$14,821. Requested expenditures include \$15,000 for office work stations, \$11,071 for two computers and related equipment, \$5,250 for chairs, and \$3,000 for lease improvements. According to the agency, by utilizing office work stations, the agency would be able to gain space, making a move for additional office space unnecessary.)

The Governor recommends FY 1993 expenditures of \$1,710,671, a decrease of \$80,764 from the agency's estimate. The recommendation decreases financing from the State General Fund by \$60,418 and special revenue funds by \$20,346. The Governor's recommendation reduces salaries and wages (\$31,360); communication (\$6,450); travel and subsistence (\$11,800); professional fees (\$10,000); and capital outlay (\$21,154).

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

Concur.

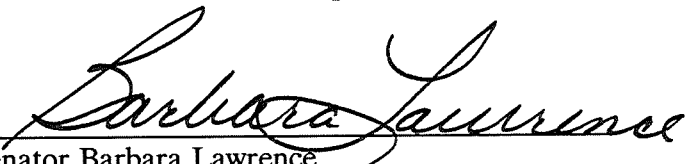
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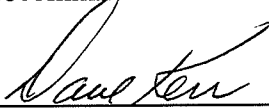
Expenditure	House Adj. FY 93	House Rec. FY 93	Senate Sub. Adjustments
State Operations:			
State General Fund	\$ --	\$ 398,935	\$ --
Special Revenue Funds	--	1,311,736	9,300
EDIF	--	--	--
Total	<u>\$ --</u>	<u>\$ 1,710,671</u>	<u>\$ 9,300</u>
FTE Positions	--	38.5	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs, with the following adjustment:

1. Add \$9,300 (\$2,425 from the Livestock Brand Inspection Fund, \$2,425 from the Brand Fee Fund and \$2,425 from the Animal Dealer Fee Fund) for capital outlay; bringing the total amount recommended for capital outlay items to \$30,454. The Subcommittee notes that agency personnel are sharing personal computers. The Subcommittee believes that this is an inefficient practice, particularly for a regulatory agency.
2. The Subcommittee inquired as to the status of the Animal Facilities Inspection program. The agency testified that there are approximately 946 licensed facilities in Kansas at the present time. In the last two years a number of changes have taken place: Dr. Dan Walker was appointed as the Livestock Commissioner, a special Assistant Attorney General was assigned to the program, a Program Director was hired, and the number of inspectors was increased from 3.0 FTE to 5.0 FTE. According to testimony, during 1990 the Department took three actions against facilities, in 1991 five actions were brought, and in 1992, 15 actions were taken. In addition, over 120 facilities electively closed business operations as of July 1, 1992. The agency indicated that it is developing a computerized records system to better track licenses, facilities, inspections, complaints, and violations. In fact, the program has improved so significantly that surrounding states are now contacting Animal Health to learn about the program. The Subcommittee commends the Department of Animal Health on its ability to reorganize and correct problems in the Animal Facilities Program and encourages the agency to continue its efficient and cost effective enforcement of the Companion Animal Act.


Senator Barbara Lawrence
Subcommittee Chair


Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. 2086

Bill Sec. 3

Analyst: Duncan

Analysis Pg. No. 359

Budget Page No. 74

<u>Expenditure</u>	<u>Agency Req. FY 94</u>	<u>Governor's Rec. FY 94</u>	<u>House Sub. Adjustments</u>
State Operations:			
State General Fund	\$ 465,000	\$ 374,927	\$ --
Special Revenue Funds	1,372,188	1,330,681	32,064
EDIF	50,000	--	--
Total	<u>\$ 1,887,188</u>	<u>\$ 1,705,608</u>	<u>\$ 32,064</u>
FTE Positions	39.5	30.5	6.0

Agency Request/Governor's Recommendation

The agency requests FY 1994 expenditures of \$1,887,188, an increase of \$95,753 over the current year estimate. The request includes increases in salaries and wages (\$45,708); printing (\$2,006); rents (\$1,027); travel (\$14,904); professional services (\$9,700); maintenance materials (\$10); motor vehicle parts (\$50); office supplies (\$500); other supplies (\$3,000); and capital outlay (\$18,948). The agency's request also reduces contractual services by \$100. The request would fund 39.5 FTE positions, an increase of one FTE over the current year.

The Governor recommends \$1,705,608 in FY 1994, a decrease of \$181,500 from the agency's request. The recommendation reduces salaries and wages (\$140,746); communication (\$6,450); printing (\$3,611); repairing and servicing (\$45,104); professional fees (\$9,500); supplies and materials (\$5,000); and capital outlay (\$52,969). The Governor's recommendation would fund 30.5 FTE, a reduction of 9.5 FTE from the agency's request. The Governor does not recommend the new position requested by the agency and the Governor eliminates 8.0 Brand Inspector positions. The Governor recommends that the agency contract for these services.

House Subcommittee Recommendation

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

1. Restore 5.0 FTE of the 8.0 FTE Brand Inspection positions deleted by the Governor and shift \$81,800 for contractual services to salaries and wages. The Subcommittee notes that three of the eight Brand Inspection positions are vacant.
2. Add \$828 from the Animal Dealer Fee Fund to allow the agency to reclassify a range 21 Special Investigator III to range 26 Administrative Officer III.

3. Add \$31,236 (\$12,496 from the Animal Dealers Fee Fund, \$12,496 from the Animal Disease Control Fund, and \$6,244 from the Livestock Brand Fee Fund) and 1.0 FTE Administrative Officer I for budget preparation, to handle financial reports and to perform various administrative duties.
4. The Subcommittee heard testimony concerning statutory fee changes passed during the 1991 Legislative Session. The fee changes were intended to raise the ceiling of fees collected by the agency but instead statutorily set fees. The Subcommittee recommends the introduction of a bill to clarify this legislation.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

Concur.

Expenditure	House Adj. FY 94	House Rec. FY 94	Senate Sub. Adjustments
State Operations:			
State General Fund	\$ --	\$ 374,927	\$ --
Special Revenue Funds	32,064	1,362,745	(25,074)
EDIF	--	--	--
Total	<u>\$ 32,064</u>	<u>\$ 1,737,672</u>	<u>\$ (25,074)</u>
FTE Positions	6.0	36.5	(6.0)

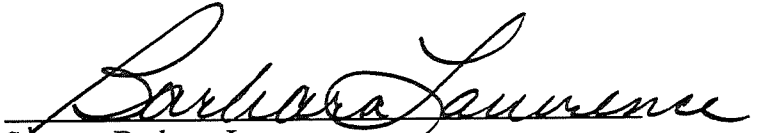
Senate Subcommittee Recommendation

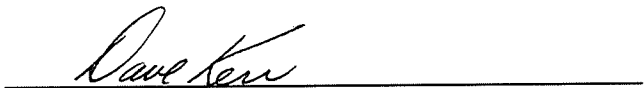
The Senate Committee concurs with the recommendations of the House with the following adjustments:

1. Eliminate 6.0 FTE Brand Inspection positions restored by the House and shift \$81,800 for salaries and wages to contractual services as originally recommended by the Governor. The Subcommittee learned that Brand Inspectors are paid on an hourly basis. In FY 1992, hours worked by the Inspectors ranged from an annual high of 1,716 hours to a low of 323 hours. All of the Brand Inspectors receive fringe benefits. The Subcommittee concurs with the Governor's recommendation to delete these positions and contract for the same services.
2. Delete \$31,236 (\$12,496 from the Animal Dealers Fee Fund, \$12,496 from the Animal Disease Control Fund, and \$6,244 from the Livestock Brand Fee Fund), and 1.0 FTE Administrative Officer recommended by the House. The

Subcommittee notes that this new position was not included in the agency's original budget request.

3. Add \$4,200 (\$1,400 from the Animal Dealers Fee Fund, \$1,400 from the Brand Fee Fund, and \$1,400 from the Livestock Brand Inspection Fund) to allow the agency to reclassify the Officer Manager to an Administrative Officer I.
4. Add \$2,790 (from the Animal Disease Control Fund) for travel and subsistence for brucellosis eradication. The Subcommittee notes that the current year recommendation for travel for the agency's Animal Disease Control program is \$80,580. The Subcommittee's recommendation would raise FY 1994 travel from \$75,000 to \$77,790.


Senator Barbara Lawrence
Subcommittee Chair


Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Grain Inspection Department

Bill No. 2087

Bill Sec. 14

Analyst: Robinson

Analysis Pg. No. 369

Budget Page No. 224

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 6,058,583	\$ 5,846,462	\$ 59,950
State General Fund	--	--	--
TOTAL	<u>\$ 6,058,583</u>	<u>\$ 5,846,462</u>	<u>\$ 59,950</u>
FTE Positions	150.0	150.0	--

Agency Estimate/Governor's Recommendation

The agency requests a total of \$6,058,583 (excluding federal fees remitted) for FY 1993, an increase of \$253,000 over the amount approved. The agency indicates that a supplemental request of \$253,000 is necessary to comply with regulations of the Federal Grain Inspection Service (FGIS). The funds would be used to acquire ten whole grain analyzers and ten serial type printers to be used in conjunction with the whole grain analyzers. The FGIS has notified the Grain Inspection Department that the equipment must be purchased by June 30, 1993 for the agency to be in compliance with FGIS regulations. The equipment is used to determine the protein content of wheat and the protein and oil content of soybeans. The equipment is more accurate than the equipment currently used. The request would provide one machine for each of the eight field offices and would provide one backup machine each for the eastern and western halves of the state.

The Governor recommends FY 1993 expenditures of \$5,846,462 (excluding federal fees remitted), a reduction of \$212,141 from the amount requested by the agency. Recommended reductions are in the areas of salaries and wages (\$161,521), and capital outlay (\$50,600). The Governor recommends \$202,400 for the purchase of eight whole grain analyzers and serial printers (one for each of the eight field offices).

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Governor, with the following adjustment:

1. Increase the expenditure limitation on the Grain Inspection Fee Fund by \$59,950 to allow the Department to purchase one whole grain analyzer in addition to the eight recommended by the Governor. This would provide one backup machine in addition to the machines located in the field offices. In addition, the Department informed the Subcommittee that the cost of the machines and printers had increased from the \$25,300 estimated by the agency at the time of

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its budget submission to \$29,150. The Subcommittee's recommendation would provide an increase of \$3,850 per machine for the eight machines recommended by the Governor and \$29,150 for one additional machine.

The status of the fee fund, based on the recommendations of the Subcommittee is as follows:

<u>Resource Estimate</u>	<u>Actual FY 92</u>	<u>Agency Est. FY 93</u>
Beginning Balance	\$ 1,684,298	\$ 1,432,688
Net Receipts	5,040,922	5,525,333
Total Funds Available	<u>\$ 6,725,220</u>	<u>\$ 6,958,021</u>
Less: Expenditures	5,113,914	5,906,412
Federal Fees Remitted	178,618	220,000
Ending Balance	<u><u>\$ 1,432,688</u></u>	<u><u>\$ 831,609</u></u>

House Committee Recommendation

Concur.

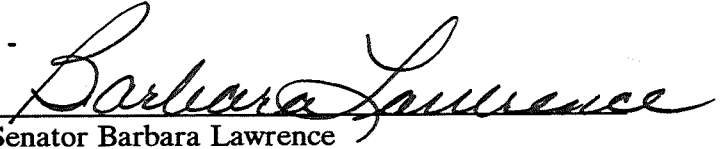
House Committee of the Whole Recommendation

Concur.


<u>Expenditure Summary</u>	<u>House Adj. FY 93</u>	<u>House Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 59,950	\$ 5,906,412	\$ --
FTE Positions	--	--	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.



Senator Barbara Lawrence
Subcommittee Chair



Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Grain Inspection Department

Bill No. 2086

Bill Sec. 4

Analyst: Robinson

Analysis Pg. No. 369

Budget Page No. 224

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 5,386,656	\$ 5,616,330	\$ --
State General Fund	289,237	--	--
TOTAL	<u>\$ 5,675,893</u>	<u>\$ 5,616,330</u>	<u>\$ --</u>
FTE Positions	137.0	137.0	--

Agency Request/Governor's Recommendation

The Grain Inspection Department requests FY 1994 expenditures of \$5,675,893 (excluding federal fees remitted), a reduction of \$382,690 from the revised FY 1993 estimate. For FY 1994, the Department proposes to eliminate 13.0 FTE positions, including 11.0 FTE in the Warehouse Division, and 2.0 in the Inspections Division. The positions proposed to be eliminated are two Grain Inspectors III, six Grain Weighers I, two Keyboard Operators I, one Agricultural Laboratory Technician I, and two Warehouse Examiners II. These 13.0 positions are currently vacant. The Department is requesting \$289,237 from the State General Fund.

For FY 1994, the Governor recommends expenditures of \$5,616,330 (excluding federal fees remitted), a reduction of \$59,563 from the agency's request. The Governor does not recommend any State General Fund financing for the agency.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor, with the following observation:

1. The House Subcommittee notes the agency's serious concerns with its fee fund balances. The Subcommittee does not believe, however, that State General Fund support for the agency would be appropriate at this time. The Subcommittee recommends an interim study on the continued need for a state-run warehouse program in light of the availability of federal licensing. The Subcommittee is aware that there could be substantial complications involved with discontinuing the state warehouse program, but believes that these potential problems could be better addressed during an interim study.

The status of the fee fund, based on the recommendations of the Subcommittee is as follows:

Resource Estimate	Actual FY 92	Estimated FY 93	Estimated FY 94
Beginning Balance	\$ 1,684,298	\$ 1,432,688	\$ 831,609
Net Receipts	5,040,922	5,525,333	5,530,817
Total Funds Available	\$ 6,725,220	\$ 6,958,021	\$ 6,362,426
Less: Expenditures	5,113,914	5,906,412	5,616,330
Federal Fees Remitted	178,618	220,000	210,000
Ending Balance	\$ 1,432,688	\$ 831,609	\$ 536,096

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

Concur.

Expenditure Summary	House Adj. FY 94	House Rec. FY 94	Subcommittee Adjustments
State Operations:			
Special Revenue Fund	\$ --	\$ 5,616,330	\$ --
State General Fund	--	--	--
TOTAL	\$ --	\$ 5,616,330	\$ --
FTE Positions	--	137.0	--


Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House, with the following observations:

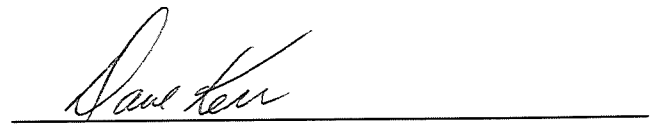
1. The agency indicated to the Senate Subcommittee that it is proposing a layoff of 8.0 FTE positions. According to the agency, the proposal has been submitted to the Division of Personnel Services for approval. The Subcommittee is supportive of this proposal and encourages the agency to follow through with the layoffs.
2. The agency requested the addition of State General Fund moneys to make up for revenue shortfalls being experienced by the agency. The House Subcommittee recommended that an interim study be conducted on the continued need for a state-run warehouse program in light of the availability of federal licensing. The

Senate Subcommittee is in general agreement with the House Subcommittee, and shares the view that a decision regarding elimination of the state-run program should not be undertaken without a great deal more study.

The Subcommittee also notes that under this recommendation, regardless of the conclusions of an interim study, the agency will probably have to seek supplemental funding from the State General Fund. The Subcommittee believes, however, that the 1994 Legislature will be in a better position to determine what level of funding would be appropriate.



Senator Barbara Lawrence
Subcommittee Chair



Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. 375

Budget Page No. 202

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 2,659,861	\$ 2,656,833	\$ --
Eco. Dev. Initiatives Fund	100,000	100,000	--
Subtotal	<u>\$ 2,759,861</u>	<u>\$ 2,756,833</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 107,927	\$ 107,928	\$ --
Special Revenue Funds	442,567	442,559	--
Subtotal	<u>\$ 550,494</u>	<u>\$ 550,487</u>	<u>\$ --</u>
TOTAL	<u><u>\$ 3,310,355</u></u>	<u><u>\$ 3,307,320</u></u>	<u><u>\$ --</u></u>
FTE Positions	17.0	17.0	--

Agency Estimate/Governor's Recommendation

The agency's revised FY 1993 estimate of operating expenditures totals \$2,759,861, a reduction of \$3,098 from the amount approved by the 1992 Legislature, as adjusted by State Finance Council action. The Governor recommends FY 1993 operating expenditures of \$2,756,833, a reduction of \$3,028 from the amount estimated by the agency. The reduction is entirely in salaries and wages and reflects fringe benefit adjustments and an increased turnover rate.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

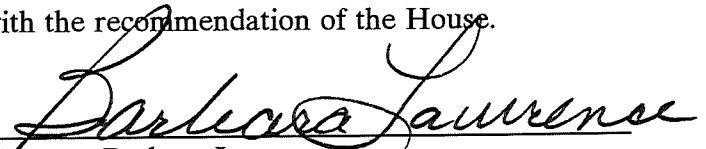
Concur.

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<u>Expenditure Summary</u>	<u>House Adj. FY 93</u>	<u>House Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ --	\$ 2,656,833	\$ --
Eco. Dev. Initiatives Fund	--	100,000	--
Subtotal	<u>\$ --</u>	<u>\$ 2,756,833</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ --	\$ 107,928	\$ --
Special Revenue Funds	--	442,559	--
Subtotal	<u>\$ --</u>	<u>\$ 550,487</u>	<u>\$ --</u>
TOTAL	<u><u>\$ --</u></u>	<u><u>\$ 3,307,320</u></u>	<u><u>\$ --</u></u>
FTE Positions	--	17.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.



Senator Barbara Lawrence
Subcommittee Chair



Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. 2086

Bill Sec. 5

Analyst: Robinson

Analysis Pg. No. 375

Budget Page No. 202

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 20,000	\$ --	\$ --
Special Revenue Funds	2,807,925	2,667,799	--
Eco. Dev. Initiatives Fund	100,000	100,000	--
Subtotal	<u>\$ 2,927,925</u>	<u>\$ 2,767,799</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 2,104,828	\$ 104,828	\$ --
Special Revenue Funds	151,235	116,228	--
Subtotal	<u>\$ 2,256,063</u>	<u>\$ 221,056</u>	<u>\$ --</u>
TOTAL	<u><u>\$ 5,183,988</u></u>	<u><u>\$ 2,988,855</u></u>	<u><u>\$ --</u></u>
FTE Positions	17.0	17.0	--

Agency Request/Governor's Recommendation

For FY 1994, the agency requests operating expenditures of \$2,927,925, an increase of \$168,064 above the revised FY 1993 estimate. The agency is requesting \$20,000 from the State General Fund for youth programs at the Fair, \$100,000 from the Economic Development Initiatives Fund (EDIF), and \$2,104,828 from the State General Fund for capital improvements.

The Governor recommends FY 1994 operating expenditures of \$2,767,799, a reduction of \$160,126 from the amount requested by the agency. Recommended areas of reduction include salaries and wages (\$19,707); contractual services (\$99,769); commodities (\$6,000); and capital outlay (\$34,650). The Governor's recommendation includes \$100,000 from the EDIF, and \$104,828 from the State General Fund for capital improvements. The Governor does not recommend the expenditure of \$20,000 from the State General Fund for youth programs.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor, with the following observation.

1. The House Subcommittee has great concerns about the continued use of the 4-H Encampment Building. The building, which houses 4-H and FFA youth attending the Fair, was built in 1933. According the agency, the building is structurally sound but has deteriorated to the point of constituting a serious safety hazard. The Fair has noted numerous safety concerns with the building, including the

heating system, a boiler type which creates steam heat. The fire alarm system has been cited as inadequate by the State Fire Marshal and many of the windows in the building are rotted and inoperable. The flat roof of the building has leaked and damaged interior walls. The building's primary electrical transmission line is channeled through the boys' restroom. The plumbing is in need of frequent repair and the pads on the stairs are chipped. The ceilings in the dormitories are open wood rafter construction with gas space heaters and the auditorium also has open gas space heaters and a ceiling that is not fireproof.

The Subcommittee believes that a recommendation which only involves not funding the requested renovation is inadequate in light of the serious safety concerns posed by the building's current condition. The Subcommittee recommends that the Joint Committee on State Building Construction consider whether, if funding should not be made available for the project, the building should be demolished to prevent the risk of serious injury, and the potential liability for injury.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendation of the House Committee with the following adjustment:

1. Add \$670,000 from the General Facilities Building Fund to provide funding for modifications to the 4-H Encampment Building.

<u>Expenditure Summary</u>	<u>House Adj. FY 94</u>	<u>House Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ --	\$ 7,500
Special Revenue Funds	--	2,667,799	22,863
Eco. Dev. Initiatives Fund	--	100,000	--
Subtotal	\$ --	\$ 2,767,799	\$ 30,363
Capital Improvements:			
State General Fund	\$ --	\$ 104,828	\$ --
Special Revenue Funds	--	116,228	--
Subtotal	\$ --	\$ 221,056	\$ --
TOTAL	\$ --	\$ 2,988,855	\$ 30,363
FTE Positions	--	17.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House, with the following adjustments:

1. The Senate Subcommittee shares the concerns of the House regarding the condition of the 4-H Encampment Building. The Senate Subcommittee was informed that, pending completion of renovation, the building is committed to house DUI offenders from Reno County. The Subcommittee believes that this program could be a major off-season revenue generator and that other counties might well become interested in using the facility in a similar manner. The Senate Subcommittee suggests that the agency explore the issue of some initial funding from the city of Hutchinson and Reno County which could then be used to offset the cost of housing the DUI offenders.

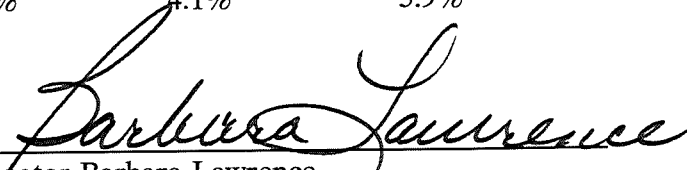
In addition, the House Committee of the Whole amended H.B. 2122 (the House Capital Improvements bill) to add \$670,000 for modifications to the 4-H Encampment Building. The intent of the House was to add this funding from the State General Fund. As the result of a drafting error, however, the funding was appropriated from the nonexistent General Facilities Building Fund (GFBF). The Senate Subcommittee notes that the modifications involved are designed to address the concerns of the State Fire Marshal. The Senate Subcommittee suggests that the Senate Subcommittee on Capital Improvements, when reviewing this item in H.B. 2122, give serious consideration to shifting funding from the GFBF to the State General Fund to accurately reflect the intent of the House Committee of the Whole.

2. The agency requested that the Subcommittee add \$15,000 from the State General Fund for youth programs at the Fair. This funding would be used to help fund several youth programs, including the education, band, 4-H, FFA and boy and girl scout programs. The Subcommittee believes that many of these programs are of sufficient statewide benefit to warrant some State General Fund support and recommends the addition of \$7,500 from the State General Fund for youth programs.
3. The Subcommittee recommends the authorization of additional expenditures from the agency's no-limit fee funds as follows: travel and subsistence (\$3,988); advertising (\$8,225); and capital outlay (\$10,650). The Subcommittee is of the opinion that the agency has sufficiently justified the above expenditures and that resources are available in the State Fair Fee Fund and the Nonfair Days Activities Fee Fund.

The status of the agency's fee funds, based on the recommendation of the Senate Subcommittee, is as follows:

Resource Estimate	Actual FY 92	Estimated FY 93	Estimated FY 94
State Fair Fee Fund:			
Beginning Balance	\$ 132,529	\$ 142,823	\$ 118,850
Net Receipts	2,545,024	2,603,570	2,658,522
Total Funds Available	<u>\$ 2,677,553</u>	<u>\$ 2,746,393</u>	<u>\$ 2,777,372</u>
Less:			
Expenditures	\$ 2,355,310	\$ 2,440,020	\$ 2,471,335
Nonexpense Items	77,266	87,820	90,722
Transfer to Cap. Impr. Fund	102,154	99,703	100,730
Ending Balance	<u><u>\$ 142,823</u></u>	<u><u>\$ 118,850</u></u>	<u><u>\$ 114,585</u></u>
Ending Balance as a Percentage of Expenditures	6.1%	4.9%	4.6%

Resource Estimate	Actual FY 92	Estimated FY 93	Estimated FY 94
Nonfair Days Activities Fee Fund:			
Beginning Balance	\$ 12,476	\$ 7,809	\$ 7,036
Net Receipts	176,984	178,795	193,236
Total Funds Available	<u>\$ 189,460</u>	<u>\$ 186,604</u>	<u>\$ 200,272</u>
Less:			
Expenditures	\$ 171,928	\$ 170,648	\$ 178,393
Nonexpense Items	3,950	3,795	4,736
Transfer to Cap. Impr. Fund	5,773	5,125	6,550
Ending Balance	<u><u>\$ 7,809</u></u>	<u><u>\$ 7,036</u></u>	<u><u>\$ 10,593</u></u>
Ending Balance as a Percentage of Expenditures	4.5%	4.1%	5.9%


 Senator Barbara Lawrence
 Subcommittee Chair


 Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. 382

Budget Page No. 612

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,288,614	\$ 2,284,597	\$ --
FTE Positions	8.0	8.0	--

Agency Estimate/Governor's Recommendation

The agency's revised FY 1993 estimate is the amount approved by the 1992 Legislature, as adjusted by State Finance Council action. The Governor recommends \$2,284,597 in FY 1993, a reduction of \$4,017 from the agency's revised estimate. The reduction is entirely in the area of salaries and wages.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

The status of the fee fund, based on the recommendations of the House Subcommittee, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 92</u>	<u>Estimated FY 93</u>
Beginning Balance	\$ 1,667,395	\$ 1,282,169
Net Receipts	2,281,388	2,185,370
Total Funds Available	\$ 3,948,783	\$ 3,467,539
Less:		
Expenditures	1,914,785	2,284,597
Refunds	201,829	201,600
Transfer to Wheat Commission		
Emergency Fund	550,000	--
Ending Balance	\$ 1,282,169	\$ 981,342

SWAM
March 15, 1993
Attachment 4

House Committee Recommendation

Concur.

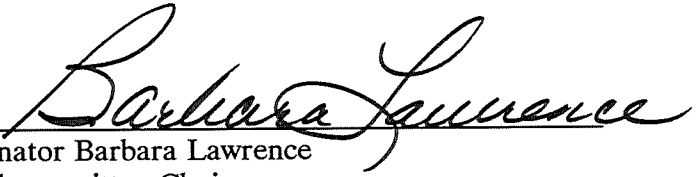
House Committee of the Whole Recommendation

Concur.

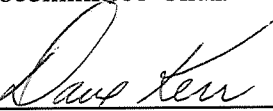
<u>Expenditure Summary</u>	<u>House Adj. FY 93</u>	<u>House Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ --	\$ 2,284,597	\$ --
FTE Positions	--	8.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.



Senator Barbara Lawrence
Subcommittee Chair



Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission

Bill No. 2086

Bill Sec. 6

Analyst: Robinson

Analysis Pg. No. 382

Budget Page No. 612

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,375,000	\$ 2,284,989	\$ 61,825
FTE Positions	8.0	8.0	--

Agency Request/Governor's Recommendation

The Wheat Commission's FY 1994 request of \$2,375,000 is an increase of \$86,386 over the revised FY 1993 estimate. The Governor recommends FY 1994 expenditures of \$2,284,979, a reduction of \$90,021 from the amount requested by the agency. The recommended areas of reduction are: salaries and wages (\$2,236); printing and advertising (\$15,000); travel and subsistence (\$5,000); fees--professional services (\$61,285); and capital outlay (\$6,500).

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Governor, with the following adjustments:

1. The Wheat Commission requested approval for the transfer of \$150,000 from the Wheat Commission Fee Fund to the Wheat Commission Emergency Fund. The Emergency Fund was created by the 1990 Legislature after the drought of 1989 forced the Commission to cut one-third of its FY 1990 budget. The Wheat Commission Emergency Fund is appropriated with an expenditure limitation of \$0. There is currently \$550,000 in the Emergency Fund, and the agency would like to add \$150,000 to bring the balance up to \$700,000, or approximately one-third of one year's expenditures. The Subcommittee recommends that this transfer be made.
2. Increase the expenditure limitation on the agency's fee fund by \$61,825. The agency had requested a total of \$85,673 for unspecified research projects. The Governor recommended the reduction of \$61,825 from this category. The Subcommittee is aware that some worthwhile projects may come up during the year and agrees that the agency should have additional flexibility to fund projects. The Subcommittee's recommendation provides total funding of \$85,673 for unspecified research projects, the amount originally requested by the agency.

The status of the fee fund, based on the recommendations of the House Subcommittee, is as follows:

Resource Estimate	Actual FY 92	Estimated FY 93	Estimated FY 94
Beginning Balance	\$ 1,667,395	\$ 1,282,169	\$ 981,342
Net Receipts	2,281,388	2,185,370	2,915,000
Total Funds Available	\$ 3,948,783	\$ 3,467,539	\$ 3,896,342
Less:			
Expenditures	1,914,785	2,284,597	2,346,814
Refunds	201,829	201,600	267,750
Transfer to Wheat Commission Emergency Fund	550,000	--	150,000
Ending Balance	\$ 1,282,169	\$ 981,342	\$ 1,131,778

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

Concur.

Expenditure Summary	House Adj. FY 94	House Rec. FY 94	Subcommittee Adjustments
State Operations: Special Revenue Fund	\$ 61,825	\$ 2,346,814	\$ 4,500
FTE Positions	--	8.0	--

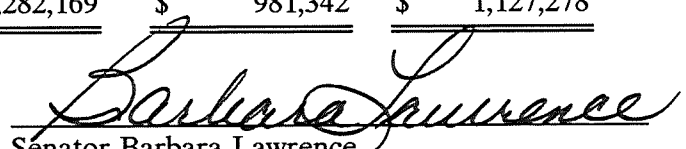
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House, with the following adjustment:

1. Increase the expenditure limitation on the Wheat Commission Fee Fund by \$4,500 to allow the agency to purchase a new microcomputer. The agency indicated that one computer, which is used to keep track of receipts and refunds to producers, is so old and has so little memory that a list of people to whom refunds have been made cannot be printed. The Subcommittee believes that the agency has sufficiently justified its need for this replacement computer.

The status of the fee fund, based on the recommendation of the Senate Subcommittee, is as follows:

Resource Estimate	Actual FY 92	Estimated FY 93	Estimated FY 94
Beginning Balance	\$ 1,667,395	\$ 1,282,169	\$ 981,342
Net Receipts	2,281,388	2,185,370	2,915,000
Total Funds Available	\$ 3,948,783	\$ 3,467,539	\$ 3,896,342
Less:			
Expenditures	1,914,785	2,284,597	2,351,314
Refunds	201,829	201,600	267,750
Transfer to Wheat Commission Emergency Fund	550,000	--	150,000
Ending Balance	\$ 1,282,169	\$ 981,342	\$ 1,127,278


Senator Barbara Lawrence
Subcommittee Chair


Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: State Board of Agriculture

Bill No. 2087

Bill Sec. 13

Analyst: Robinson

Analysis Pg. No. 346

Budget Page No. 58

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 8,980,557	\$ 8,967,331	\$ --
Eco. Dev. Initiatives Fund	275,000	275,000	--
Agency Fee Funds	3,333,118	3,325,343	--
Grain Commission Funds	3,167,187	3,164,207	--
Fed. Meat and Poultry Fund	1,302,395	1,302,395	--
Other Federal Funds	1,069,327	1,069,327	--
Oil Overcharge Funds	90,000	90,000	--
Water Plan Fund	360,408	360,855	--
Other Funds	395,653	395,653	--
Subtotal - State Operations	\$ 18,973,645	\$ 18,950,111	\$ --
Local Aid:			
State General Fund	\$ --	\$ --	\$ --
Grain Commission Funds	750	750	--
Oil Overcharge Funds	17,460	17,460	--
Federal Funds	80,000	80,000	--
Subtotal - Local Aid	\$ 98,210	\$ 98,210	\$ --
Subtotal - Operating	\$ 19,071,855	\$ 19,048,321	\$ --
Capital Improvements:			
State General Fund	49,500	49,500	--
TOTAL	\$ 19,121,355	\$ 19,097,821	\$ --
FTE Positions	328.5	328.5	--

Agency Estimate/Governor's Recommendation

The agency's revised FY 1993 estimate of operating expenditures of \$19,071,855 is an increase of \$47,056 above the approved amount. The agency estimates expenditures of \$8,980,557 from the State General Fund (a reduction of \$1 from the approved amount), and \$10,091,298 from other funds (an increase of \$47,057).

The Governor recommends FY 1993 operating expenditures of \$19,048,321, a reduction of \$23,534 from the amount estimated by the agency. The recommended reduction is in salaries and wages. The Governor's recommendation includes \$8,967,331 from the State General Fund (a reduction of \$13,226 from the agency's revised estimate), and \$10,080,990 from other funds (a reduction of \$10,308 from the amount estimated by the agency).

SWAM
march 15, 1993
Attachment 5

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. The agency requested \$16,576 from the State General Fund for the restoration of funding for temporary and intermittent salaries which were reduced in the Governor's recommendation. The Subcommittee recommends that the agency have the authority to shift funding of \$16,576 from the State General Fund in the Farmers' Assistance, Counseling, and Training Service (FACTS) program to fund its request for temporary and intermittent salaries.

The Subcommittee is aware that sunset of the FACTS program was extended by the 1991 Legislature until September 1996. At that time, the duties of the program were expanded somewhat to include a rural opportunity program. The Subcommittee believes that, although the FACTS program was designed to provide services to the agricultural community at a time of great need, the program is growing less essential as time passes. There are other organizations available which could provide many of the services currently provided by the FACTS program. The Subcommittee believes that the mediation program and the FACTS hotline should be continued to the extent allowed by funding constraints. The Subcommittee recommends, however, that funding be reduced over a period of time, with the ultimate goal of phasing out the program at its next sunset.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

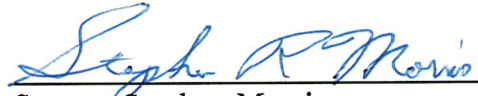
Concur.

Expenditure Summary	House Adj. FY 93	House Rec. FY 93	Subcommittee Adjustments
State Operations:			
State General Fund	\$ --	\$ 8,967,331	\$ --
Eco. Dev. Initiatives Fund	--	275,000	--
Agency Fee Funds	--	3,325,343	--
Grain Commission Funds	--	3,164,207	--
Fed. Meat and Poultry Fund	--	1,302,395	--
Other Federal Funds	--	1,069,327	--
Oil Overcharge Funds	--	90,000	--
Water Plan Fund	--	360,855	--
Other Funds	--	395,653	--
Subtotal - State Operations	\$ --	\$ 18,950,111	\$ --
Local Aid:			
State General Fund	\$ --	\$ --	\$ --
Grain Commission Funds	--	750	--
Oil Overcharge Funds	--	17,460	--
Federal Funds	--	80,000	--
Subtotal - Local Aid	\$ --	\$ 98,210	\$ --
Subtotal - Operating	\$ --	\$ 19,048,321	\$ --
Capital Improvements:			
State General Fund	--	49,500	--
TOTAL	\$ --	\$ 19,097,821	\$ --
FTE Positions	--	328.5	--

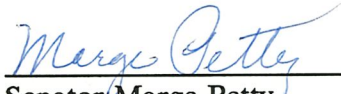
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House, with the following observation:

1. The Subcommittee was informed that, because of a change in the federal match rate on the FACTS program, there may be some surplus in the amount of State General Fund financing necessary to fund FACTS for the balance of FY 1993. The Subcommittee recommends that the agency have the authority to expend any excess from the FACTS program for alleviation of the permit application backlog in the Division of Water Resources, a problem which is outlined in Post Audit Report No. 93-38. As will be explained in further detail in the FY 1994 Subcommittee report, the Subcommittee recommends funding for a special projects position in FY 1994 to help alleviate the existing backlog. Any State General Fund financing not needed to fund the FACTS program could be utilized to add this special projects position during FY 1993.

A handwritten signature in blue ink, reading "Stephen Morris", written over a horizontal line.

Senator Stephen Morris
Subcommittee Chair

A handwritten signature in blue ink, reading "Marge Petty", written over a horizontal line.

Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: State Board of Agriculture

Bill No. 2086

Bill Sec. 2

Analyst: Robinson

Analysis Pg. No. 346

Budget Page No. 58

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 11,704,354	\$ 9,249,596	\$ --
Eco. Dev. Initiatives Fund	275,207	275,207	--
Agency Fee Funds	2,951,127	3,092,212	--
Grain Commission Funds	2,854,371	2,853,749	--
Fed. Meat and Poultry Fund	1,344,844	1,311,858	--
Other Federal Funds	1,156,172	1,155,542	--
Oil Overcharge Funds	90,000	--	--
Water Plan Fund	1,236,092	648,489	--
Other Funds	426,838	395,300	--
Subtotal - State Operations	<u>\$ 22,039,005</u>	<u>\$ 18,981,953</u>	<u>\$ --</u>
Local Aid:			
State General Fund	\$ 150,000	\$ --	\$ --
Grain Commission Funds	750	750	--
Oil Overcharge Funds	6,215	6,215	--
Federal Funds	60,000	60,000	--
Subtotal - Local Aid	<u>\$ 216,965</u>	<u>\$ 66,965</u>	<u>\$ --</u>
Subtotal - Operating	\$ 22,255,970	\$ 19,048,918	\$ --
Capital Improvements:			
State General Fund	--	--	--
TOTAL	<u><u>\$ 22,255,970</u></u>	<u><u>\$ 19,048,918</u></u>	<u><u>\$ --</u></u>
FTE Positions	339.0	327.5	--

* Includes Budget Amendment No. 1.

Agency Request/Governor's Recommendation

The agency requests FY 1994 operating expenditures of \$22,255,970, an increase of \$3,184,115 above the revised FY 1993 estimate. The request includes \$11,704,354 from the State General Fund. The agency requests a total of 339.0 FTE positions, an increase of 10.5 FTE above the number authorized for FY 1993.

The Governor recommends FY 1994 expenditures of \$19,046,953, a reduction of \$3,209,017 from the agency's request. The recommended reductions include \$826,106 in salaries and wages, \$1,004,645 in contractual services, \$32,964 in commodities, and \$1,195,303 in capital outlay. The Governor's recommendation includes \$9,247,631 from the State General Fund (a reduction of

\$2,456,723 from the agency's revised estimate). The Governor recommends the net reduction of 1.0 FTE positions from the currently approved 328.5.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. The agency requested that the following items be added to the Governor's recommendation for FY 1994:

\$161,401 in funding from the State General Fund for temporary and intermittent positions. The agency had requested that some current temporary and intermittent positions be combined into FTE positions. The agency requested, however, that intermittent and temporary funding be restored should the positions not be approved. The Governor did not recommend the additional positions but did not restore the funding for the temporary and intermittent positions.

\$31,140 in funding from the State General Fund to allow the agency to realign positions within the agency to best accommodate the needs of the agency.

\$85,516 from the State General Fund to restore funding for development services, domestic marketing, and international marketing. According to the agency, this funding is not for enhancements to the Marketing Division, but is needed to restore reductions to core functions of the division.

The Subcommittee recognizes the validity of these requests, but is not inclined to add additional State General Fund moneys to the agency's budget. For the reasons noted in item 1 of the FY 1993 Subcommittee Report, the Subcommittee proposes instead that funding of \$278,057 from the State General Fund be moved from the Farmers' Assistance, Counseling and Training Service (FACTS) program to the areas outlined above. This would leave approximately \$100,000 from the State General Fund in the FACTS program for FY 1994.

2. The Subcommittee, after reviewing both the Board of Agriculture and Kansas Water Office budgets, is concerned about the potential for duplication of effort between the Water Office and the Division of Water Resources. The Subcommittee recommends that a request be made to the Legislative Post Audit Committee to conduct an audit on the functions and duties of the two agencies, and that such report be considered by the Subcommittee reviewing these agency budgets during the 1994 Session.
3. Adopt Budget Amendment No. 1 which adds \$1,965 from the State General Fund to accurately reflect the Governor's recommendation for fringe benefits.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendation of the House Committee, with the following adjustments:

1. Adjust the proviso on the water plan special revenue fund to increase the salaries and wages limitation from \$150,978 to \$254,084. This would allow the agency the flexibility to continue to fund three special projects positions to work on interstate water issues.
2. Delete funding of \$278,057 from the State General Fund.

<u>Expenditure Summary</u>	<u>House Adj. FY 94</u>	<u>House Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (278,057)	\$ 8,971,539	\$ 236,043
Eco. Dev. Initiatives Fund	--	275,207	--
Agency Fee Funds	--	3,092,212	--
Grain Commission Funds	--	2,853,749	--
Fed. Meat and Poultry Fund	--	1,311,858	--
Other Federal Funds	--	1,155,542	--
Oil Overcharge Funds	--	--	--
Water Plan Fund	--	648,489	--
Other Funds	--	395,300	--
Subtotal - State Operations	<u>\$ (278,057)</u>	<u>\$ 18,703,896</u>	<u>\$ 236,043</u>
Local Aid:			
State General Fund	\$ --	\$ --	\$ --
Grain Commission Funds	--	750	--
Oil Overcharge Funds	--	6,215	--
Federal Funds	--	60,000	--
Subtotal - Local Aid	<u>\$ --</u>	<u>\$ 66,965</u>	<u>\$ --</u>
Subtotal - Operating	\$ (278,057)	\$ 18,770,861	\$ 236,043
Capital Improvements:			
State General Fund	--	--	--
TOTAL	<u><u>\$ (278,057)</u></u>	<u><u>\$ 18,770,861</u></u>	<u><u>\$ 236,043</u></u>
FTE Positions	--	327.5	--

Senate Subcommittee Recommendation

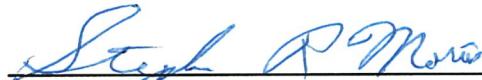
The Senate Subcommittee concurs with the recommendation of the House with the following adjustments and observations:

1. The Subcommittee is aware that the following recommendations reflect an increase in State General Fund financing totaling \$236,043 above the recommendation of the House. The Subcommittee notes, however, that the recommendations of the House represent a reduction of \$278,057 in State General Fund spending from the Governor's recommendation. The Senate Subcommittee's recommendation is a reduction of \$42,014 from the Governor's recommendation.
2. Restore State General Fund financing of \$93,743 for the FACTS program. This would provide total State General Fund financing of \$196,256. According to the agency, due to an increase in the federal match rate which may become effective as early as April or May, 1992 (from a 50-50 state-federal rate to a 30-70 rate), federal funds can be maximized with no substantial loss in services provided.
3. Add a total of \$62,300 from the State General Fund for 1.0 FTE position and one special projects position in the Division of Water Resources. The Governor recommended the transfer of 2.0 FTE positions from the Inspections Division to the Division of Water Resources, but provided funding for only one of the FTE positions. The Subcommittee was informed that adding three Hydrologists would accomplish the task of eliminating the backlog in new permit applications.

The Division currently has nearly 800 applications pending initial review. Of this total, there are about 550 applications which could be processed if sufficient staffing were in place. The remainder, nearly 250, are in a portion of the state where a moratorium is in place, or where additional policy decisions must be made prior to processing. According to the agency, this level of staffing would reduce the existing backlog so that within two years, applications could be processed within a six month period, rather than the average 15 months noted in an audit by the Legislative Division of Post Audit.

4. Add \$35,000 from the State General Fund to allow the Division of Water Resources funding for continued historic research on the Republican River Compact, relative to the State of Nebraska. The Subcommittee is somewhat reluctant, given current fiscal constraints, to recommend this expenditure from the State General Fund. The Subcommittee, however, also took into consideration the estimated \$9.1 million has been expended in the Kansas-Colorado litigation over the Arkansas River, and believes that an expenditure of this proportion could go far in heading off a similar situation with Nebraska. This recommendation would allow the Board to document the historical framework within which the Republican River Compact was established and allow the State of Kansas to be better prepared, from a preventive perspective, for any future litigation.

5. Add \$45,000 from the State General Fund for an equine industry survey. The Subcommittee was informed that approximately \$50,000 would be needed to complete the study. The Subcommittee is of the opinion, however, that the industry should bear a portion (10 percent) of the costs of this study. The Subcommittee recommends a proviso that upon certification by the Secretary of Agriculture to the director of the Division of the Budget that funding of \$5,000 from the industry has been received, the \$45,000 would be available for use on the survey. While this recommendation is for financing from the State General Fund, the Subcommittee notes that partial funding from other sources could possibly be considered, such as Economic Development Initiatives Funds or Racing Commission funds.
6. The agency requested funding of \$124,016 from the State General Fund to supplement fee fund expenditures recommended by the Governor. The Governor's recommendation for fee fund expenditures leaves no projected carryover balances in several fee funds. The Subcommittee suggests that the agency closely monitor the condition of these fee funds, and seek supplemental FY 1994 State General Fund support from the 1994 Legislature, if such action is necessary.
7. The Senate Subcommittee concurs with the House suggestion regarding a Post Audit report on the functions and duties of the Division of Water Resources as compared to those of the Kansas Water Office. The Subcommittee notes, however, that as many as 11 state entities are identified in the *Kansas Water-Related Programs Manual* published by the Kansas Water Office. The Subcommittee recommends, that in addition to the request for a Post Audit report, an interim study on the various water-related agencies be requested. There is much confusion as to the respective duties of the numerous entities involved in water issues, and the Subcommittee believes that an interim study would help alleviate some of that confusion, and to identify a plan to reduce any duplication.



Senator Stephen Morris
Subcommittee Chair



Senator Marge Petty